

# UAC INSURANCE MUTUAL

## *Board of Trustees Meeting*

Thursday, September 19, 2002, 8:00 a.m.

Utah Association of Counties Training Room

A G E N D A

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8:00	Breakfast	
	Call to Order	Gary Herbert
	Review of Board Members Absent	Gary Herbert
	Approval of Minutes	Gary Herbert
	Broker Report	John Chino
	Audit Report Update	Geri Douglas
	Utah Association of Counties <i>UACIM Transaction Fund</i> 1992-2001	Robb Enger
	Redefine Relationship Between UAC and UACIM	Gary Herbert
	Process, Structure, Timing	
	Restructuring of the UACIM Board/Bylaws	Shawn Guzman
11:30	Lunch	
	Loss Control Managers Report	Mark Brady
	Director's Report	Shawn Guzman
	Set Date and Time for Closed Meeting	
	to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
	Set Date and Time for Closed Meeting	
	to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	
	Other Business	
2:00	Adjourn	



## UACIM BOARD of TRUSTEES MEETING

### MINUTES

September 19, 2002, 8:00 a.m.  
Utah Association of Counties Training Room

**BOARD MEMBERS PRESENT** Gary Herbert, President, Utah County Commissioner  
Dan McConkie, *Vice President*, Davis County Commissioner  
Lynn Lemon, *Secretary-Treasurer*, Cache County Executive  
Steve Baker, Davis County Personnel Director  
Kay Blackwell, Piute County Commissioner  
LaVar Cox, Millard County Commissioner  
Royal Norman, Box Elder County Commissioner  
Ed Phillips, Millard County Sheriff  
Tex Olsen, Sevier County Commissioner  
Gene Roundy, Iron County Commissioner  
Steve Wall, Sevier County Clerk-Auditor

**BOARD MEMBERS ABSENT** Kent Sundberg, Utah County Deputy Attorney

**MEMBERS PRESENT** Ken Bischoff, Weber County Commissioner  
Michael Cragun, Davis County Commissioner  
LeRay Jackson, Millard County Attorney  
Kimberly Schappert, Grand County Council Member  
Dave Wilson, Weber County Deputy Attorney

**OTHERS PRESENT** Brent Gardner, UAC Executive Director  
Shawn Guzman, UACIM Director  
Sonya White, UACIM Administration  
John Chino, Arthur J. Gallagher  
Jean Evans, UAC Office Manager  
Geri Douglas, Larson & Company  
Robb Enger, Larson & Company  
Ken Mackay, Robison Hill & Company  
Greg Poulson, Robison Hill & Company  
Dale Westenskow, Robison Hill & Company

### **CALL to ORDER**

Gary Herbert called the meeting to order and welcomed those in attendance.

### **REVIEW of BOARD MEMBERS ABSENT**

Kent Sundberg requested to be excused from this meeting due to a prior commitment out of state. Dan McConkie made a motion to excuse Kent Sundberg from this meeting. Royal Norman seconded the motion, which passed unanimously.



## APPROVAL of MINUTES

The minutes of the Board of Trustees meeting held June 27, 2002 were previously sent to the Board Members for review. The Board made the following corrections:

1. AUDIT COMMITTEE'S REPORT, page two. For the last two years, the Audit Committee has reported to the Board their concerns relating to the administration ~~fee~~ budget, paid to the Utah Association of Counties (UAC), which has not and cannot be audited without the approval of UAC. ~~To the credit of Kent Sundberg explained that [Sonya White and]~~ the auditors, Larson & Company, discovered without actually auditing UAC's financial statements, that approximately \$457,000 has accumulated since 1992 from monies not spent out of this fee.
2. AUDIT COMMITTEE'S REPORT, page three. Tex Olsen explained that ~~n~~No monies have been returned causing suspicion of the management of these monies.
3. AUDIT COMMITTEE'S REPORT, page three. Shawn, as who believes he is legal counsel ~~for~~ to the UACIM Board of Trustees and an employee of UAC is being put into a unique situation and that is why the committee is recommending a more distinct clarification of the relationship between UAC and UACIM—does Shawn work for UAC or UACIM?

Tex Olsen made a motion to approve the June 27, 2002 meeting minutes as amended. LaVar Cox seconded the motion, which passed unanimously.

The minutes of the Board of Trustees meeting held August 8, 2002 were previously sent to the Board Members for review. The Board made the following corrections:

1. AUDIT COMMITTEE RECOMMENDATIONS, page two. This is especially important in this day and age where problems in the private sector, because of close relationships with no clear identification of expenditures, no clear identification of authority and ~~conducts~~ areas of creative accounting ~~is~~ are being reviewed.
2. AUDIT COMMITTEE RECOMMENDATIONS, page two. Under expenses, most of the line items are straightforward and the actual expenditures appear to be shown but the following items are cause for concern:
3. AUDIT COMMITTEE RECOMMENDATIONS, page three. This ~~2000 reconciliation sheet that Brent has prepared shows an ending amount of \$9,476. These~~ demonstrates how the figures have been modified and are getting distorted, Tex explained, and the same problems continue in from what the Committee identified at its May meeting. Discrepancies have carried through to the UAC/UACIM Year End Reconciliation 2001 (see attachment #3). In 2001, the reconciliation shows including an administrative fee expense allocation of \$15,000, when only instead of \$5,000 that was budgeted approved. and an ending amount of (\$40,248) The same concerns carry through the remainder of the line items.
4. AUDIT COMMITTEE RECOMMENDATIONS, page four. Reserving for the debt service began in 2000 and UACIM's annual portion of the reserve is \$17,260. Brent explained that on his spreadsheet, where Tex stated that the Mutual's share tripled, the numbers were transposed in error for the reserve and the depreciation amounts.
5. AUDIT COMMITTEE RECOMMENDATIONS, page four. The fiduciary duties of the Mutual Board can be discussed at the next meeting but Shawn, as who believes he is legal counsel to the Mutual Board of Trustees, stated that the analogy given that the agreement between UAC and the Mutual is the same as a contract with a private entity is not a good one because UAC controls the assets of the Mutual and therefore, has a fiduciary duty of candor and disclosure.
6. AUDIT COMMITTEE RECOMMENDATIONS, page five. He was never concerned that the budget was considered to be a contract with UAC and if the administrator of those funds saves money ~~he~~ UAC can keep it.
7. AUDIT COMMITTEE RECOMMENDATIONS, page five. In reviewing the reconciliation spreadsheets prepared and presented by Brent to the UAC Board of Directors, there are several increases in budgetary line items that were never approved by the Mutual Board and then all of a sudden, Kent continued, the 2000 surplus of revenues over expenses that was \$94,000 has shrunk to \$9,000 and in 2001 the excess revenues over expenses that was \$54,000 is now a minus \$40,000.

Gene Roundy made a motion to approve the August 8, 2002 meeting minutes as amended. Steve Baker seconded the motion, which passed unanimously.



The minutes of the Board of Trustees meeting held August 28, 2002 were previously sent to the Board Members for review. Royal Norman made a motion to approve the August 28, 2002 meeting minutes as written. Kay Blackwell seconded the motion, which passed unanimously.

#### **AUDIT REPORT UPDATE**

Gary Herbert explained that the Audit approved by the Mutual Board at its August 8 meeting has been a little trickier than what was originally thought. Because the relationship with UAC (Utah Association of Counties) and the Insurance Mutual are so important, Gary asked the accounting and auditing firm for UAC, Robison Hill, to help. It has taken Robison Hill longer to prepare information for Larson and Company than originally thought putting them in a bit of a time deficit in preparing their audit report. Gary asked that Robison Hill make their presentation first, followed by Larson and Company.

Brent Gardner handed each Board Member and attendee an 'Agreed-Upon Procedures Report' containing financial information relating to the costs associated with the Insurance Mutual Transaction Fund for the year 2001 (see attachment #1). In an effort to assist Larson and Company with their audit and give the Mutual Board a complete understanding of the cost allocations, UAC requested Robison Hill to prepare this report.

#### **ROBISON HILL and COMPANY**

Dale Westenskow, Robison Hill and Company, introduced Ken Mackay and Greg Poulson, who are involved in the monthly accounting and year-end audit of UAC. Dale explained that Robison Hill has performed an engagement based on agreed-upon procedures. This report is not an audit conducted in accordance with standards established by the American Institute of Certified Public Accountants and generally accepted accounting practices. To maintain continuity, Dale requested that questions from the Board be held until the end of his presentation. The underlying reason Robison Hill has been asked to report is it appears that all parties concerned initially interpreted the agreement between UAC and UACIM as an administrative fee arrangement as both parties in their accounting records and audit reports reference administrative fees. It is now Robison Hill's understanding that the fees have come into question as to whether this was a fee arrangement or not, therefore, this report has been prepared to identify direct and indirect costs that should be allocated to UACIM as a party who benefited from those costs. The first three pages of the report is a letter to the Members of the Board that explains, 'We have performed procedures enumerated below, which were agreed to by the Executive Committee and Management of Utah Association of Counties (UAC), solely to assist in analyzing UAC's financial records and preparing schedules with supporting documentation showing the cost that should be reasonably allocated to Utah Association of Counties Insurance Mutual (UACIM) for the year ended December 31, 2001.' The agreed-upon procedures outlined in UAC's engagement letter are as follows: 1) Analyze UAC's financial statements to determine direct costs that were attributable to UACIM. 2) Analyze financial records to determine the amount of any indirect costs that should be allocated to UACIM. 3) Interview management and other personnel to identify and account for all direct expenses, shared costs and services. 4) Identify and summarize supporting documentation that may be available upon request for third party review. 5) Propose a reasonable basis of allocation that may be applied to future and prior years. Robison Hill obtained the following information to assist in performing the agreed-upon procedures: 1) General ledger for the year ending December 31, 2001. 2) Descriptions and allocation basis of general ledger accounts. 3) Payroll records for the year ending December 31, 2001, job descriptions and estimation of time spent performing services for UACIM. 5) Schedules and calculations of reserve accounts. Robison Hill's Summary of Conclusions are as follows: 1) Utah Association of Counties monthly compilation report contains numerous funds that provide management with certain information to assist in the decision making process. As a result of this, not all expense for one fund are included in that fund, as they may have been recorded to additional funds. An example of this is McLarens' portion of the building usage. 2) Utah Association of Counties allocated a number of expense categories based upon percentage of usage. Items such as certain salaries were not allocated to each fund. 3) UACIM fund balance for the compilation report shows a year to date net excess of \$54,215.64. Upon consolidating all expenses that are associated with UACIM together with those included in the compilation report the result is a net deficit of \$34,976.52 for the year. In addition to this net deficit the UAC Board of Directors has required that both UAC and UACIM accumulate additional building reserves of which UACIM share is \$22,894. When this is combined with the net deficit, it results in a total deficit of \$57,870.52.



There are six exhibits attached to the report, Dale mainly reviewed exhibits one and two—three through six enclosed for reference purposes. Exhibit 1 is a schedule consolidating the beginning point to the ending point. The first column 'Account' are the general ledger account reference numbers used by UAC as it relates to the UACIM fund. The second column is a 'Description' of the revenue and expense accounts. The third column is a recap of the compilation amounts that result in the current years compilation fund report showing an excess of revenues over expenditures totaling \$54,215.64. The next column 'Accrual Adjustments' are made at year-end that reverse out the prior year accounts payables and record the current years accounts payable. 'Adjusted Balance' column totals the amounts in the 'Compilation' and 'Adjustments' columns. The next column lists 'McLarens' building costs and the 'Adjusted Balance' with that fund is the next column. 'Indirect/Other Expenses' are items that have not been allocated specifically to either UACIM's fund or McLarens in the compilation reports. The final column is a consolidation of the prior two columns. Exhibit 2 contains the footnotes corresponding with the letters to the side of the numbers in Exhibit 1. While Dale read the explanatory sections the Mutual Board followed the references on Exhibit 1. (a) Management fees paid by UACIM to UAC. (b) Interest on Public Treasurers Investment Fund that have been allocated to this fund. (c) Monies transferred in from the property and equipment fund as a result of an automobile sale. (d) Salaries of Shawn Guzman, Mark Brady and 70% of Sonya White's salary. (e) Insurance Mutual loss control training. (f) Management Fee for UAC to allow for additional expenses not detailed. (g) Accounting and auditing fees attributable to the fund. Dale explained a correction to the amount listed in this item. Upon interview, Instead of an 11% allocation there should have been only 9% reducing the expense by \$319. (h) Automobile expenses incurred for the use and maintenance of two vehicles. (i) UACIM's portion of the preliminary Management Assessment study that was initiated. (j) Direct meeting expenses for UACIM board meetings. (k) 40% of monthly Internet services, computer services and direct portion of computer repairs. (l) Staff expenses for UACIM's staff. (m) UACIM's portion of the interest payments on the building calculated at 28.5% of the total. (n) UACIM's portion of the building landscaping, upkeep, repairs and maintenance these are calculated at 30% of the total. (o) 40% of telephone services and long distance conference calls are directly allocated. (p) 40% of postage and direct allocation of all federal express and overnight packages. (q) 40% of all office supplies. (r) 40% of copier maintenance agreements. (s) Retirement benefits for Shawn Guzman, Mark Brady and 70% for Sonya White. (t) FICA taxes for Shawn Guzman, Mark Brady and 70% for Sonya White. (u) Medical insurance for Shawn Guzman, Mark Brady and 70% for Sonya White. (v) 40% of package insurance policy that covers the building, disability and fiduciary insurance as well as workers compensation insurance. (w) Direct allocation of dues and subscriptions for magazines, publications and associations. (x) Direct allocation of printing services. (y) Expenditures for new vehicles and equipment transferred to property and equipment fund. (z) UACIM's portion of the principal payments on the building calculated at 28.5% of the total. One un-lettered item a direct charge to American Express. This column totals or nets an excess of revenues over expenses of \$54,215.64. When that total is added to the beginning cash balance that is shown on the monthly compilation report of approximately \$405,000 the ending balance becomes the \$458,000 in question.

References (aa) and (ab) address adjusting the financial statements to an accrual basis. The combined net affect is only \$655.48, which reduces the net excess to \$53,560.16. McLarens' portion of the expenses is referenced as (ac) McLarens portion of interest payments on the building calculated at 18.5% of the total. (ad) McLarens portion of the buildings landscaping, upkeep, repairs and maintenance calculated at 20% of the total. (ae) McLarens portion of the principal payments on the building calculated at 18.5% of the total. Total for these expenses is \$44,414.30 and when consolidated with the previous \$53,560.16, McLarens alone reduces the excess of revenues over expenses to \$9,145.86.

The indirect or other expenses have been calculated as follows: (ba) The interest from the Public Treasurers Investment Fund (PTIF) has been calculated based upon approximately \$458,000 in investments. Based upon UAC's representations and this analysis it appears that monies received from UACIM for management fees are expensed fully in the year that it is received. It has been assumed that the management fee has been received on the first day of each quarter and has been fully expensed by the end of the quarter. Therefore, interest has been calculated based upon a quarterly management fee is \$111,703.75. Assuming the management fee is expensed each quarter the average cash balance is \$55,851.88. The average interest rate paid by PTIF has been 2.552 percent for the year 2001, therefore, the interest on that average cash balance would calculate to \$1,425.34. Thus requiring an adjustment to the amount reported on the compilation report of \$18,584.89. (bb) Indirect salaries have been calculated for



the following individuals based upon representations made to us through interviews with UAC personnel. These are salaries that were not directly allocated to UACIM's fund in that first column. Brent Gardner, UACIM Administrator (UAC Executive Director), attends UACIM Board of Trustees Meetings, oversees and supervises staff services provided to UACIM, property management, trouble shoots county problems, lobbying. Brent estimates that he spends 16.5% of his time in performing these activities for UACIM. That 16.5% has been allocated to the following four categories and result in these numbers, salary \$19,798, payroll taxes \$1,110, related health insurance \$1,686, retirement (9.26%) \$1,833. Jean Evans, in an interview, Jean estimates that approximately 20% of her time is spent working with UACIM doing the following tasks, bi-monthly payroll, cafeteria plan, retirement, vacation and sick leave calculations and reconciliations, bookkeeping services and maintenance of related files, reconciliations and deposits, personnel services, accounts payable and check requests, telephone services. Based on this representation, the expenses allocated to UACIM fund for salary is \$9,027, payroll taxes \$691, health insurance \$2,044 and retirement (9.26%) \$836. Lisa Kalantzes, Lisa is no longer with UAC so an interview was performed with Doug Perry who took over her duties. Doug estimated that the following time in planning, preparation and promoting the UAC/UACIM two annual meetings for the month of July/December 10%, August/January 25%, September/February 35%, October/March 50%, November/April 50%. It has been estimated that UACIM accounts for approximately 20% of the annual meetings agenda; therefore, 20% of Lisa's time in preparing for these meetings is indirectly attributable to UACIM. Lisa earned \$3,953 per month during 2001 of which the following amounts are attributable to UACIM, July/December \$158, August/January \$395, September/February \$553, October/March \$791, November/April \$791, totaling \$2,688 of salary to be allocated to UACIM. Related payroll taxes \$206, health insurance \$219, retirement \$249. Pat Fizer performed receptionist duties and answered the phones for UAC and UACIM. It has been estimated that approximately 10% of her time was spent performing duties for UACIM. Her salary was allocated at \$1,786, payroll taxes \$137, retirement \$165. Debbie Goodwin performed receptionist duties and answering phones for UACIM. Debbie has estimated that she spends approximately one hour each day or approximately 9% of her time performing these duties. That allocation for salary \$804, payroll taxes \$62. Sonya White performed services for UAC, however information as to the extent and nature of service performed on behalf of UAC we not available. UAC would be more than willing to credit back UACIM for her services provided to UAC. Shawn Guzman performed services for UAC and UAC has acknowledged that there may be a credit back to UACIM for his services rendered that benefited UAC. (bc) Management fee was set up to account for other indirect costs that may be incurred. Since the indirect costs in this report are being allocated this management fee is being reversed out. (bd) UAC has accounted for the building space being allocated at 50% UAC, 30% UACIM and 20% McLarens. Upon interviews, the correct percentages should be 53% UAC, 28.5% UACIM and 18.5% McLarens. An adjustment in the amount of \$1,226.07 to properly reflect the corrected percentages. (be) Shared expenses have been allocated UACIM at 40% instead of being 37%, of total expense. This adjustment correctly allocates these expenses to 37%. (be) Refers to a number of individual office related expenses. (bf) UAC policy allows their staff to accumulate unused vacation and sick leave. Retiring employees and employees terminating for other reasons are paid at 100% of unused vacation and 50% of unused sick leave. UACIM's portion of accrued vacation and sick leave expense for the year ended December 31, 2001 is calculated by subtracting the December 2001 accrued balance per individual from the December 2001 accrued balance and multiplying it based upon the percentages of time spent working for UACIM. Negative numbers indicate that current year and prior year vacation amounts were used during 2001, this is offset by the same increase. UACIM portion of accrued vacation and sick leave are as follows: Brent Gardner (\$774.28), Shawn Guzman \$261.54, Sonya White \$763.84, Mark Brady \$417.31, total \$668.41. (bg) UACIM's portion of management conference and annual convention expenses see Exhibit 4 for more details. (bh) Adjustment to reclassify check #11307 that was incorrectly coded to UACIM Board Expense. Building reserve accounts. (ca) The UAC board of directors has required that both UAC and UACIM accumulate additional building reserves to cover one year's lease payments on the building. The accumulation of this reserve was to begin in the year 2000 and last for five years. UACIM's share of the reserve accumulation for 1001 was \$17,260 see Exhibit 5 for calculation. (cb) UAC and UACIM have been accumulating reserves for building equipment repairs and replacement. UACIM contribution to this reserve for 2001 is \$5,634. This calculation is based upon estimated replacement cost and life of building equipment as estimated by the building contractor, see Exhibit 6 for addition information regarding that calculation. When tallied, there is an adjustment of \$44,122.38 net expense. Netted with the previous columns, (\$9,145.86), \$34,976.52, \$22,894, (\$319) adjustment calculates to a total deficit for 2001 of \$57,551.52.



Brent Gardner added that further adjustment would need to be calculated for the two salaries of Shawn and Sonya. Dale concluded his report by stating that it is Robison Hill's belief that the agreement between the two entities was a management fee rather than handled as some kind of agency fund. Apparently, Dale assumed, that Larson and Company has made the same determination as their audit report shows it as an administrative fee expense.

Gary Herbert questioned why the interest allocation for UACIM is 28% when all other allocations are 40%? Dale explained that it is mainly due to the separate handling of McLarens. Gary thought the Mutual had 40% interest [in the building]. Brent explained that prior to the hiring of two new UAC employees the percentage allocations for the building were 50/50, UACIM 30% and McLarens 20%. Now the percentages (based on an estimate of usage) are allocated at 28.5% UACIM and 18.5% McLarens.

Gary Herbert asked if a percentage of Sonya's salary comes from UAC? Dale stated that 70% has been allocated to UACIM and 30% MCAT. Sonya White stated that it was her understanding that in the year 2001, 70% of her salary was allocated to UACIM, 20% to MCAT and 10% to UAC. Gary stated that this is a notable item that needs to be clarified and that the Board should know where her salary is coming from. Brent said that none of Sonya's salary was allocated to UAC but she did spend time on behalf of UAC so there needs to be an adjustment to recognize that.

Robison Hill has come to the conclusion that the administrative fee is a contract, Tex Olsen explained, yet the indirect expenses they detail have never been talked about. Tex questioned under Robison Hill's accounting, who owns the cars and the reserve for cars that UACIM has paid for? Dale replied that their accounting records indicated that cars are assets reported in an equipment fund that is part of the Utah Association of Counties entity and reported on UAC books. Tex asked if the building reserves paid by the Mutual were also an asset of UAC under Robison Hill's accounting? Under the current accounting, Dale explained, the reserves are an asset of UAC's.

Regarding the interest allocation on the annual fee paid to UAC, Lynn Lemon questioned the calculation of interest based on a quarterly payment instead of the entire fee? Dale replied that the 2001 audit is not yet complete so Robison Hill is not at a level to render an opinion. The previous practice is that interest is calculated by fund. Calculated on the \$458,000 balance as accumulated because certain costs have been reported in other funds rather than the UACIM fund.

There were no other questions at this time for Robison Hill so Gary Herbert turned the time over to Larson and Company for their presentation.

#### LARSON and COMPANY

As background, Geri Douglas explained that as Larson and Company has prepared annual audits for the Insurance Mutual, they have been on a statutory basis, which is the basis required by the Insurance Department for the State of Utah. Now that the Insurance Mutual is no longer regulated by the Insurance Department it will now report to the State Auditor's Office and change from a statutory report basis to a GAP report basis. On a statutory basis, the Mutual was not allowed to record furniture, equipment, automobiles, etc. as assets so it is Geri's belief that at the inception of the Mutual, it was known that assets would not be recorded for the Mutual so they were listed on the Association's books. In preparing the monthly compilations for the Mutual, as of July 1, 2002, the beginning of the GAP basis reporting, questions were raised in regards to the assets of the Mutual. This Board approved that Larson and Company audit the Insurance Mutual Transaction Fund from 1992 to 2001 at its August 8 meeting but, as Commissioner Herbert explained, we did not receive authorization from UAC until August 29 and did not receive Robison Hill's report until September 9, at which time we found the report to be only for the year 2001. Geri continued to explain that Larson and Company used the 2001 Robison Hill Report as their basis and have tried to go back to 1992 as much as time allowed. A written update (draft) was handed to the Board and reviewed with them by Robb Enger (see attachment #2). From the numbers and information Robb has reviewed, the accumulated adjusted surplus from 1992 to 2000 totals \$288,470.99. Adjustments to surplus were made in 1999 and 2000 for interest and building expenses and reserves (including McLarens). The auto reserve amount of \$13,300 was added in 2000 based on the information provided by UAC. Robb reviewed the summary of the items found so far which is not all-inclusion:



1. There was no allocation of salaries in years prior to 2001 but the management fee was used in all years prior to 2001. Robb directed the Board's attention to the agreement between UAC and the Insurance Mutual that states: 'Reimbursement for Services...all expenses associated with UAC staff's administration of the pool, as determined annual and approved by the UAC Board of Directors and the UACIM Board of Directors'. It is Larson and Company's opinion that the \$5,000 management fee, that is in the budget every year, is the compensation for the staff's administration of the pool.
2. Journal entry (be) of the 2001 Robison Hill report was done to correct amounts and percentages from 40% to 37% for shared expenses. However, in prior years, (at least from 1999) the incorrect percentage was used and Robb was unable to find where it was corrected.
3. In reviewing the compilation, in 2000 the beginning surplus balance per Robison Hill (\$311,405) does not match their ending balance for 1999 (\$328,148) a difference of about \$16,000. Robb was unable to determine why the difference.
4. According to the sublease/purchase agreement (page 11 and 12), it states how the building debt, operating and maintenance and reserves should be calculated and allocated to UAC and UACIM but Robb was unable to determine if MCAT and McLarens need to be included in sharing the common area space. In reviewing the square footage of each office and going through the plans of the building, pre-2000 allocations should be UAC 55%, UACIM 45% (includes 21.46% McLarens), post-2000 that allocation should have changed to 61% UAC, and 38.25% UACIM (including McLarens).

Larson and Company determined for the most part that the 2001 detail, prepared by Robison Hill, allocated the percentages based on what was originally believed, however many of the expenses could be made on a direct basis, i.e., postage, copies, telephone, data processing, etc. They have questions on the salary allocations in 2001 and whether they should be allocated in 2000. Interest adjustments were made by taking the excess revenue over expenses, multiplying the interest rate and allocating interest to all years, 1992 through 2000. Up to this point is where Larson and Company is in the audit.

Gary Herbert said that it surprised him that Robison Hill's cost allocation for 2001 makes it appear that the Mutual owes UAC money and asked Robb Enger what his opinion was for the 2001 year? Robb replied that based on his calculations, that materially the Mutual does owe UAC for the year 2001. In 1998 and 1999 there is a deficit and in 2000 barely a surplus that appears to be due to the additional expenses for the new building that should have been allocated to McLarens and counted against the Insurance Mutual Transaction Fund. Geri Douglas added that Larson and Company does not necessarily agree with Robison Hill for 2001 because there are some issues that need to be resolved such as salaries. In the agreement it states, 'that a total annual sum, which consists of all expenses associated with the UAC staff administration', which Geri interprets as the budget amount of \$5,000, 'determined and approved annually.' Lynn Lemon said that if you take the \$34,103 listed for indirect salary expenses on the Robison Hill report and made an adjustment for Shawn and Sonya's time, then the amount would come close to the \$15,000 that the Mutual was charged for 2001. Geri said that other issues that need to be resolved are the allocation of building square footage percentages and those same percentages being used to allocate expenses for supplies, postage, telephone, etc., and which entity owns the autos, computers, artwork, etc. Gary said that the Mutual would need to work with UAC to reconcile those issues.

Gary Herbert expressed that unless the auditors go back to 1992, the Mutual Board will not know for sure how much of the monies listed in the Insurance Mutual Transaction Fund would be owed to the Mutual, if any, but he is prepared to have them go all the way back. Robb Enger stated that from 1992 through 1997 is where the majority of the Insurance Mutual Transaction Fund balance accumulated. When the building was purchased there was a significant increase in expenses.

Tex Olsen stated that another issue relating to the expenses is that the Mutual has not been given credit for reserves; reserves should be an asset on the Mutual's books. Reserves and whether the current reserves meet the Mutual's future obligations are another issue that the Board needs to make a decision on.

Geri Douglas asked the Mutual Board how they should proceed from here? Gary Herbert explained that as part of this reconciliation and an understanding of where the process should go from here, he asked Brent Gardner to go through the minutes, agreements and any other documentation since the inception to see if he can help the Mutual Board understand how we've gotten to this particular predicament. Brent Gardner prepared a six-page letter to the Mutual Board with attachments that the Board had not previously received so Brent was asked to highlight his findings that may resolve questions in the minds of the Board members



(see attachment #3). Brent began by explaining that UAC administers 14 different programs that vary from year to year that bring revenue into UAC other than county dues, UACIM is one of those programs. Prior to UACIM coming into existence, the UAC Board of Directors said to Brent, in terms of administering these programs, they did not want to allocate all of the costs associated with each program to each program because that gets UAC into a real detailed accounting problem. The UAC Board has also said or established a policy that revenues from these programs should not be put into UAC's general fund as ongoing revenue for UAC. The Mutual may be attributing these two policies to improper management but Brent has simply followed the direction of the UAC Board of Directors. Those two policies were carried forward into the 1992 agreement between UAC and UACIM. Obviously those policies have changed with the 2000 agreement revision. Attached, Brent continued to explain, is a copy of the Amended Bylaws of the Utah Association of Counties Insurance Mutual. On page seven it requires the Utah Association of Counties Insurance Mutual Board to 'Contract with Utah Association of Counties for administrative and management services, including a reasonable fee approved by the Board and Utah Association of Counties to cover the cost of services so provided'. The next attachment is the Amended Interlocal Cooperation Agreement, page two under 'Administration of Utah Association of Counties Insurance Mutual' it states, 'The parties (meaning UACIM and its member counties) hereby agree that Utah Association of Counties Insurance Mutual shall contract with Utah Association of Counties for administrative and management services, including a reasonable fee...'. So when these two documents were prepared, they call it a contract. It is Brent's belief that the Mutual chose the word contract because they meant it to be a contract. The next attachment is the 1992 Agreement and under 'Agreement for General Administrative Services' it states, 'This Agreement contains all agreements, understandings and arrangement between the parties and no other exists'. Brent's interpretation of this statement is that there is no outside agreements to refund.

Gary Herbert asked for the Board to refer to 'Reimbursement for Services' on page one of the 1992 Agreement that states, '...all expenses associated with UAC staff's...' because this issue has been raised by Larson and Company. Lemon added that it also states, 'annually...approved' by both Boards. Brent stated that this is clearly an issue for the Mutual Board to determine if they are going to allow all salaries to be included but how can the Mutual Board, if they decide to freeze the salary amount, go back and require a refund of anything left over on the other line items?

The next attachment is the 2000 Agreement, that Brent said, specifically states, 'Commencing with the 2000 annual fee, UAC will refund to UACIM any surplus amount over \$7500'. Brent questioned then, if there was a requirement in the 1992 Agreement to refund, then why did the Mutual Board amend the Agreement to add that specific language? Brent believes that it was amended because it was a contract. The minutes from the October 24, 1996 Board of Trustees meeting are the next attachment and Brent wanted to point out under the '1997 Administrative Budget' item it says, 'Brent Gardner reviewed the line item breakdown and comparison...' which to Brent is an accounting of each line item, 'of the 1997 and 1996 Administrative Budgets as requested by the Board'. Even though Brent does not believe there was a requirement to do it, they requested it and he did it, because there was 'An ending balance of \$76,388...for the year ending 1995'. UAC had budgeted for 'a full-time' administrator [the minutes say director], assistant administrator to use the correct term, Brett Rich, and he didn't get hired until October, so there was nine, ten months of salary that wasn't expended and that is what the Mutual Board is inquiring about. And Brent disclosed to the Board, that 'legally any ending balance would be the property of UAC, but...' Brent felt that the '...Board should feel free to meet with...UAC...' and 'discuss the status of...' the '...excess funds. The Board...' in 1996 '...agreed to wait'. Brent believes that the reason why the Mutual Board did not ask the UAC Board or request a meeting is because they understood it was a contract, from the inception. Royal Norman stated that the Mutual Board forgot about it by then. Brent commented on the next set of minutes as attached that indicates there was a 'bid', which Brent feels, relates to a contract. The next attachment is the 1998 Management Review conducted by Warren McVeigh, that specifically, under item five, analyzed the operational efficiencies and procedures of the Mutual. On page 36 there is only one recommendation under 'Administrative Services Contract' for 1992 that states, 'Update the Agreement...between UACIM and UAC. It currently refers to a Pool Administrator when there is no such title...' and 'The Agreement should describe the services...provided[es]'. Warren McVeigh also reviewed the Interlocal Cooperation Agreement and Bylaws with no recommendations. If they found violations in these documents they would have identified them in this report. Brent believes none were brought forward because they understood it as a contract, an annual fee. The next set of minutes attached are the November 17, 1999 membership meeting wherein the Audit Committee (Jerry Hess) reported that, 'The Committee



also reviewed the administrative budget to make sure that the Mutual was not paying a disproportionate share of the UAC budget. To the satisfaction of the Committee and the Board of Trustees, the relationship between UACIM and UAC is working...well'. Brent believes that the Audit Committee did their job, they performed their function and reported no issues and none of the membership disputed it. Minutes from the October 26, 2000 meeting when again there was a balance because of staff salaries. The minutes read, 'Ty Lewis said that the Association should be willing to refund...' the money '...the Mutual did not spend...' because of the salaries. I again say, I would be '...willing to take that request to the...Board'. Then the motion that triggered the negotiations to amend the 1992 agreement, 'Dan McConkie' made this amendment to refund the money '...be retroactive to the inception of the Mutual upon approval of the...Board...'. The last attachment is a list of UAC officers that served on the Mutual Board over the years, Tom Hatch, Dennis Ewing, Monte Munns, Dan McConkie and Gary Herbert. Almost every year there has been a UAC officer on the Mutual Board who has received a monthly accounting of all UAC's statements, including the famous Insurance Mutual Transaction Fund, Brent stated. In his opinion he has disclosed information to the Mutual Board when requested although he believes it was a contract and members of the Board have had knowledge of the Insurance Mutual Transaction Fund.

Royal Norman questioned Brent, if it is a contract, why was the money put in an account separate from UAC so that it became identifiable? Brent Gardner answered because of the UAC Board policies. If it were expended as ongoing revenue then dues would fluctuate all over the place. It was set up separately so that if UAC wants to use the money for a project or buy some item it comes up on a case-by-case basis.

Tex Olsen commented that Brent Gardner characterizes the 1992 Agreement as a contract when what it really states is that annually the Mutual will review services and expenses so the Board has adopted a budget. To illustrate how this is working, suppose the Board budgets \$50,000 to upgrade equipment but we find that if we wait until after the first of the year it will only cost \$10,000 to upgrade. Theoretically, as an operating Board we have saved \$40,000 but practically we've spent \$50,000 because it all goes to UAC. The increases are based on windfalls or unexpended amounts in budget items. Brent is saying, since that is the way the Mutual has been operating, then whatever we as a Board adopted as a budget we agreed to allow any money not spent stay with UAC. This is where the fiduciary responsibility comes in, Brent helped with the budget, Brent expended the monies and Brent should have told the Mutual Board how the budget and plan should change and what is fair each year because the Board did not know and it should have been brought to the Board's attention. Lynn Lemon said that pursuant to the October 24, 1996 minutes, Brent did review the line item breakdown comparison but Tex explained that the Mutual Board did not at any time understand this is how the Mutual was operating. There is a problem with a fiduciary responsibility to both Boards. It was not disclosed that the Mutual's budget was a contract and anything left in our budget would automatically go to UAC. Gary Herbert stated that it sounds like Tex is arguing for change, that there was a significant flaw in the contract, it states that it is a contract in all the documents. Geri Douglas brought to the Board's attention the October 30, 1997 Insurance Mutual Board Meeting Minutes that state, 'The Board questioned whether surplus in the UACIM administrative account could be shifted to the next year. Brent explained there is that ability because any surplus is kept in a separate account'.

LeRay Jackson asked Brent Gardner to give an example of the 14 separate sources of revenue for UAC? Brent named the Multi County Appraisal Trust, UAC Insurance Mutual, Cash Flow Borrowing, Unemployment Fund, Office Depot and Nationwide Retirement.

Dave Wilson explained that reliance on the contract language and the term contract used, as Shawn Guzman and members of the Board have interpreted you can have contracts where reimbursements are required or it can be interpreted, as Brent Gardner has interpreted, as a Class D Contract. If the agreement is a Class D Contract then what is the Management Fee item of \$5,000? The interpretation should have been, what the Board intended, which was pay so much for an administrative fee, a budget was placed, and there should have been a year-by-year accounting. Dave continued that the Board can beat this to death but if Brent had a good faith belief in what he says then Dave doesn't think that any of the Board Members want to go through a report process and as a member of the Litigation Management Committee, Dave would recommend that the Board clarify the term before moving forward.

LaVar Cox recommended that the Board look at the past intentions of the 1992 Board of Trustees. LaVar has spoken with Tom Hatch who understands that the Mutual was put together the best it could, at the time,



and were dependent upon UAC to run the operations. All these accounting procedures hadn't even been thought of so LaVar feels the Mutual Board should only be looking at year 2000 and later. Gary Herbert feels that everyone acknowledges there has been an evolution with the Mutual from when it started in 1992. Gary agreed with Dave that it's hard to stop people from disagreeing on a contract but the Board should focus on moving ahead in the direction needed. The Board has been given somewhat of a reconciliation for 2001. Is the Board willing to expend funds, time and energy to go back to 1992? There is an argument that there is no legal requirement for UAC to refund any money yet Gary feels the UAC Board may be compassionate to the argument that not all monies were expended. Appears the Board is a long way from having the actual numbers resolved.

Steve Baker recommended that the Board consider his proposed option. If you look at the documents they say UAC is the controlling organization and in effect from 1992 to 1999 it is Steve's belief that the documents do not allow the Mutual to go back. From 2000 forward, payments over \$7,500 have to be paid. Steve recommended that Brent Gardner tell the Mutual Board what that number is. Also Brent broached the option of requesting that the UAC Board refund to the Mutual unexpended salaries so the Board ought to entertain that request. Someone seconded this option but was not identified as the Board went right into discussion. Gary Herbert said that the UAC Board of Directors is expecting the Mutual to present a recommendation to reconcile this issue. Tex Olsen said that everyone has a keen interest in getting this problem solved but the Mutual Board has a fiduciary responsibility to the members. Any member can bring a class action suit and join the other members on an involuntary status. The Board may have a false sense of security because we are all in management positions in our counties and felt that would never happen but one county can make that happen. If an action is brought against the Board as Trustees and join other Trustees that preceded us, because this Board could have corrected the problem just by our management of the budget. Pulling a solution out of the air because it is cheaper to settle is going to be tough to explain so we need to solve this matter to everyone's satisfaction. Tex continued that he is not adverse to a settlement but recommended that before the Board goes into a motion status the issue be taken to 100 percent of the membership.

Lynn Lemon figured that if Brent Gardner did take a salary for any of his time spent on the Mutual for those years prior to Brett Rich being hired, it would calculate to a majority of those monies accruing from 1992 to 1995.

Steve Baker made a motion to recognize UAC as the one that founded the Mutual, a subsidiary of UAC and the agreement from 1992 to 1999, the contract, does not require any payment. From 2000 the contract requires payment reimbursements for any expenditures over \$7,500 or vice versa and that Brent Gardner give the Mutual Board those figures. Dan McConkie seconded the motion, which was open for discussion. Ed Phillips stated that the Mutual is not a subsidiary of UAC it is a separate entity. Gary Herbert believed that Steve's position is that there is no contractual obligation for UAC to refund any funds if there is any and as Kent Sundberg stated in our prior meeting, the contract is silent on this issue. Steve stated that according to the contract, 1992 to 1999 is a fixed fee contract then for 2000 forward we recognize the reimbursement of appropriate funds language. Tex Olsen explained that if Steve's intentions are a fixed fee contract then the apportioned indirect and other expenses, which have not come before the Board, are big items that make the ending balance lean one way or the other. LaVar Cox questioned if this motion will be taken to the membership? Gary Herbert answered that it will be taken to the membership to ratify but this Board is making the decision. Lynn Lemon asked Tex if the Audit Committee in 1999 acknowledged and the Board acknowledged that the relationship is working well, then the Committee reviewed the budget, did they not? Tex replied that he assumes the Audit Committee in 1999 did what the present Audit Committee did and that was audit those reports, statements, documents that were available to them. Tex continued that, as he understands Steve's motion, that starting in year 2000, the Board agrees that its liability, or UAC's liability was limited to a \$7,500 swing one way or the other and that while the Board is looking at the overall problem it is going to be well for the Board to settle those three years 2000, 2001, 2002, just on that basis. That is an area of reasonable judgment with the controversy but to settle from 1992 through 1999 without approval of our membership is being derelict and exposing the Board to legal problems. Dan McConkie stated that he is in favor of this motion because it is his belief it is a legitimate resolution to some of the concerns. This motion will be a recommendation to another Board for vericoncurrence, they may not agree. This recommendation shows that the Mutual Board is willing to accept what was understood to be a working arrangement between these organizations up through 1999 and in 2000 the



rules have changed and we've got documentation to show that. A vote no seems to mean the Board wants to go back and see a change in the rules and, in Dan's opinion, the Board can't do that.

Gary Herbert called for a vote. Steve Baker restated his motion for the Board to recognize that 1992 through 1999-contract year is a fixed-fee contract, no money legally owing to either party. From 2000 forward, whatever is owed to either party over \$7,500 is paid. Dan McConkie seconded the motion, which passed 9-2, Tex Olsen and Ed Phillips opposed.

Steve Baker made a motion that the contract for the 2000 year forward, the amounts over \$7,500 owed to either party be paid and that Brent Gardner provide the Board with those amounts. Royal Norman seconded the motion. The motion was open for discussion. Brent Gardner questioned in calculating whether the Mutual has gone over \$7,500, how far over \$7,500 can it be? The question came up as to how to treat salaries and indirect costs. UAC treated it as you saw outlined on the cost allocation, each individual's prorated share. Comments were made about the \$15,000 in administrative fees being all that should be charged so Brent wanted clarification from the Board. Lynn Lemon felt that the amount should stay at what the Mutual Board and the UAC Board approved for those years. If they approved \$5,000 then stick to what was agreed. Lynn appreciated the work Robison Hill put into allocating salaries but we are talking retroactive and should go with what the Board approved. Dan McConkie agreed that the Board should go with the approved documents. Tex Olsen also clarified to Brent that he should go by the budgets approved by the Board not the spreadsheets he accounted to the UAC Board at its August 1 meeting. Brent reaffirmed, that whatever the line item budget has in it would be the categories of expenses. Gary Herbert said that the budget will be attached as part of the motion, Exhibit A. To have it clear in his mind, Dale Westenskow questioned the Board that as he understands the motion, nothing will exceed the amount approved on each line item on the budget so there is no swing, which is a conflict to what has been presented.

Gary Herbert called for a vote. Steve Baker restated his motion for the year 2000 if there is a savings over \$7,500 of the budget UAC will reimburse the Mutual, if expenses exceed \$7,500 of the budget the Mutual will reimburse UAC. Royal Norman seconded the motion, which passed unanimously.

Steve Baker made a motion that the UAC Insurance Mutual Board of Trustees direct Brent Gardner to take a request to the UAC Board of Directors for reimbursement of unexpended salaries identified for those positions of Brett Rich and Mark Brady (either being hired or leaving employment) and any other extraordinary circumstances that resulted in large (over \$7,500) items. Gene Roundy seconded the motion, which passed 10-1, Tex Olsen opposing.

### **BROKER'S REPORT**

John Chino reported that there are a number of items that he presented at the last meeting and five different policies, four of those the Board directed John to work the numbers, try different options, new retentions, etc. John is in the process of negotiations and did not have numbers for the Board at this time.

### **DIRECTOR'S REPORT**

Shawn Guzman reported the nomination forms have been sent to the entire member elected offices requesting nominations for elections to the 2003 Board of Trustees at the annual meeting in November. Those current Trustees up for re-election are Kay Blackwell, LaVar Cox, Gary Herbert and Lynn Lemon. For those positions being vacated by retiring Trustees at the end of the year, the Board will make an appointment to fill those positions in January.

Shawn explained that the third-party claims administrator, McLarens Toplis offered either single-year or multi-year contract beginning 2003. After reviewing the contracts, Shawn reported to the Board that he agreed to a single-year contract with a four-percent increase—McLarens has not requested an increase in two years. The multi-year contract locked the Mutual into a three to four percent increase each year. The single-year contract amount was included in the budget approved by the Board at its August 28 meeting.



### **SET DATE and TIME for CLOSED MEETING**

Gene Roundy made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation to begin at 12:17 p.m. on September 19, 2002. Dan McConkie seconded the motion, which passed unanimously.

Lynn Lemon made a motion to conclude the closed meeting at 12:26 p.m. on September 19, 2002. Royal Norman seconded the motion, which passed unanimously.

### **ACTIONS on LITIGATION MATTERS**

Steve Wall made a motion authorizing an amount up to \$50,000, if the opportunity arises at mediation, to settle the matter of RIC9908675. Dan McConkie seconded the motion, which passed unanimously.

Gene Roundy made a motion authorizing the amount of \$20,000 for the UAC Insurance Mutual's portion and \$20,000 for the Sevier County portion to settle the matter of SEV02088040.

### **LOSS CONTROL MANAGER'S REPORT**

Mark Brady reviewed updated loss charts, as of August for the past five years, with the Board (see attachment #4). Total number of claims have decreased from last year but 2002 is the second highest in five year history. Net incurred losses for 2002 have also decreased from last year and is the third highest in the five year history. Number of auto claims are down, net incurred auto claims are the lowest they've been in the past five years, number of general liability claims are down from last year but steady with years 1999 and 2000, net incurred general liability claims have remained steady for the last two years, number and net incurred property claims are at an all time high in the five year history mainly due to county owned vehicle losses and a fire loss. Number of auto, general liability and property claims by category were the last charts reviewed.

### **OTHER BUSINESS**

The Mutual Board tabled the following agenda items until the next meeting scheduled for October 9, 2002, 8:00 a.m. at the UAC Training Room: Redefine Relationship Between UAC and UACIM and Restructuring of the UACIM Board/Bylaws. Any proposed Bylaws amendments need to be sent to the membership 30-days prior to the November 14 annual meeting.

Approved on this 9 day of October, 2002

  
Lynn Lemon, UACIM Secretary-Treasurer, Cache County Executive



UACIM Board Meeting, September 19, 2002, 8:00 a.m., UAC Training Room

Herbert: Okay, some are still eating, we'll continue to eat, little less informal here today. We have some important stuff to talk about and a number of issues that will take some time so we need to get started. So, as per our agenda, we've had breakfast and continue to eat. I'll call the meeting to order. Review the Board Members Absent. We've got Kent Sundberg who is in Oregon. Do we know what it is he's doing in Oregon?

Guzman: Um, I'm not suppose to say he is actually on the coast with his wife and the clubs.

Herbert: So Danny will make a motion to excuse...

McConkie: I'll do that, if he's with his wife he's in good company.

Norman: Second it.

Herbert: Liz and Kent are taking a little time off. Is there a second.

Norman: I'll second that.

Herbert: Thank you Royal. Discussion. All those in favor say Aye.

Aye.

Herbert: Opposed. Motion carries. Kent you are excused. Next is the approval of the minutes. Now everybody should have gotten, I talked to Sonya here a few days ago, so I believe everybody should have gotten, in advance of the meeting, as per our general policy, copy of the minutes. Today we're not just going to rubber-stamp the minutes. We've talked about some important issues and that have...our concern and so I want to make sure everybody has had an opportunity to look at the minutes, understand them and to...modifications that may be appropriate. The purpose of the minutes is to accurately reflect what took place in the meeting and I've got a couple of concerns and perhaps...some concerns. Now let's just start with June 27. June 27, I was not there, as you recall, so I have to rely upon your great minds to accurately reflect what took place.

McConkie: Gary, can I ask a question? Shawn does someone read these minutes after Shauna, Sonya prepares them for accuracy and approval before they go out to the Board?

Guzman: Sonya prepares them and then I read them and then we send them out to the Board for the Board to read them.

McConkie: So you have read them and you approve and you currently believe they reflect the...of the meetings?

Guzman: I read them and yeah, that I can recall, they do. If I have any questions I ask Sonya to go back and check her tapes. I wouldn't say that I approve them, I just read through them for typos and to make sure there is not something that I think was left out or something that is not as I remember it, then we go back and check the tape if there is a question on it. Then we send it out to the Board. The Board actually does the approval.

Herbert: There is a process by which they come to us and it is my understanding that it is the Board that approves. That's the function, that's the responsibility that we have as Board members to make sure that the minutes do reflect what took place. So, anyway, June 27 minutes if you'll look those over. I had one question, not having been there, that I just didn't quite understand. That is under the Audit Committee's Report. In the middle of the paragraph it says, "For the last two years the Audit Committee has reported to the Board their concerns relating to the administration fee paid to the Utah Association of Counties (UAC) which has not and cannot be audited without the approval of UAC. To the credit of the auditors, Larson and Company discovered without actually auditing UAC financial statements that approximately \$457,000 has accumulated since 1992 from monies not spend out of this fee." Not having been there I don't understand what is taken place there. I don't understand, how you can come up with, if somebody, what I don't want is editorializing, I don't want things that are factual that aren't factual that may be on opinion. So, somebody

needs to help me understand, "To the credit of the auditor, Larson and Company, discovered without actually auditing" how did that happen?

Olsen: I suppose you are asking the Audit Committee. The Audit Committee for the last three years has been concerned about our budget account. And we've never called it an administrative fee and I think that ought to be changed to budget account because that's what we've always called it. We've been concerned because it represents about a half a million dollars a year of spending and we've never had the detail on it. So in discussions with the auditors, they said, they brought to our attention that this surplus, or whatever you call it, of \$457,000 was there.

Herbert: How was that discovered if they didn't do an audit? We're giving them accolades here to their credit. They've come up with this amount of money without doing an audit. I don't understand it. How can that happen?

Olsen: How can it happen?

Herbert: How can it happen, Tex? Just come to them?

Lemon: I was there during that Audit Committee meeting and it's my understanding that Geri, Geri didn't you tell us that you had contacted UAC's auditors and that's how you came up with that amount or that number?

Douglas: We found documentation prior to that that showed a breakdown of the Insurance Mutual Transaction Fund and it showed a large balance and I did contact Robison Hill to verify.

McConkie: Where did you find that documentation?

Douglas: I received it from Sonya.

White: From me.

Douglas: Sonya prepares budgets against actuals and during our audit...

McConkie: So then it would appear that Larson and Company didn't discover anything, they were given it by a staff member.

Olsen: Wait a minute. What you've been doing is quibbling about how you discover, how you find or something that is called to your attention that ought to be looked at and I don't know exactly where you're going with the question?

McConkie: I just want to understand what really happened.

Olsen: It was called to the Audit Committee's attention that there is this surplus and the Audit Committee thought it was a little tough to find out about it.

Herbert: I think it is an issue, Tex. As I've gone through the minutes, in fact, there is a statement in the minutes later on that says the Audit Committee made some kind of a statement that this money, this \$457,000, is, in fact, belongs to the Insurance Mutual. I don't know whether the audit...stated that or not. It says here, "To the credit of the auditors", we're giving them accolades for what they've done, "Larson and Company discovered without actually auditing UAC's financial statements" I think it would certainly be more, it sounds like what you're telling me, again I wasn't there, I don't know how this came about, it would be more reflective of what their...is that the Audit Committee with the help of Sonya discovered that there seemed to be a lump some of money someplace that we turn that information over to Larson and Company. And maybe to their credit or not, I don't know why that phrase is even in there.

Guzman: And I think that's why we need to ask Sonya because she does a combination of actual statements from the tapes and paraphrasing too, so, was that actually the tapes?

White: Right, I did a verbatim of the Audit Committee report and this was language from the tapes.

Guzman: So you're saying it was a statement that was made?

White: It was a statement. So where you are saying, it was an opinion.

Herbert: Whose statement?

McConkie: Who stated it?

White: Tex Olsen was giving the report for the Audit Committee.

Guzman: So that is kind of a narrative it sounds like.

Herbert: If that was stated then I think that's fine, if it said, Tex Olsen stated to the credit, then I think that's an accurate reflection.

Olsen: I move the minutes be amended to reflect that, but since we're getting into an area that I think we need to resolve, that has got to be resolved, I'd like to take two minutes...

Herbert: Is this during the minutes, Tex? Because the agenda item, and again I am concerned about some of the things in the minutes, but I want to give you minutes, if we're going to have some discussion and want to refer back to these as to what has taken place they have got to be accurate, this is too important of an issue.

Olsen: It goes beyond the minutes.

Herbert: Then can you hold that now and we'll certainly give you a chance to talk. That can always be cleaned up, is what we're saying here, as far as what that is. I don't know that Larson and Company discovered that. I prefer if in fact what happened ought to be reflected here, so however you want to amend that Tex, it sounds like it's your statement here. You mentioned you wanted to make a change on the administrative fee...the fund that has been referred to is what, what is the word that you used over there Geri that you've been auditing...

Olsen: Well, that is one of the issues, whether it's an administrative fee or whether it's...

Herbert: You said, we want them to call it a budget, budget account...

Olsen: That's right.

Herbert: It's written down administrative fee but there is another term that's been used too.

Douglas: The Insurance Mutual Transaction Fund.

Herbert: The Insurance Mutual Transaction Fund.

Gardner: Well, its been called management fee too. On the budget we've handed out every year, I think we've called, I'm not sure where it is in the minutes, where you looking Gary?

Herbert: I'm on page two, right under the Audit Committee's Report sixth, fifth line down.

Gardner: Oh yeah, anyway, all I was going to say is that what we've called it on the budget we've handed out it is referring to, I don't know if it's referring to the whole amount that comes to UAC or if it's referring to portions within the budget.

Herbert: Whatever accurately reflects what we're talking about here, Tex, I refer to you, however we clean that up just make it great.

Olsen: Well, it was a statement made by either me or by Lynn.

Herbert: I think we probably all understand what it is whether it's an administrative fee or budget account; again, I don't want any try at semantics here as long as we get the intent of what was said. So if we want to put administrative fee/budget account, I don't have a problem going with that change.

Olsen: Well, if the statement was made by me I would have been referring to budget account...I don't recall referring to it as administrative fee because I never thought it was.

Herbert: We'll just do it one at a time and we'll come back with the changes and approve the whole thing at once.

Douglas: Can I just say something? In looking through the minutes, it looks like the Insurance Mutual called it the administrative budget.

Herbert: That's a good compromise. Anyway, I think we know what we're talking about here. Let's change that to Administrative Budget. Tex Olsen commented, "To the credit of the auditors, Larson and Company, with the help of Sonya White, discovered that there is approximately \$457,000". Can we make that change? Is that okay with you Tex? On page three, another item of concern is actually a misstatement. After the recommendations you get into the first paragraph starting, "Committee members reminded the Board that a written agreement between UAC and UACIM any monies over \$7500 not spent out of the administration fees would be returned to UACIM beginning year 2000. No monies have been returned causing suspicion of the management of these monies. Kent Sundberg stated that the independent auditor was concerned to find that UAC is holding and earning interest on almost half a million dollars of UACIM's money." So, is that an accurate reflection? Is Larson and Company actually come on record because at our last meeting I asked the question whether the auditors have decided in fact come to the conclusion that this was the Insurance Mutual's money?

Olsen: I suppose there we're talking about a conclusion that Kent had reached; it was Kent's statement.

Lemon: I think that is his opinion.

Douglas: Also, if I could bring up, if you look at the UAC audit, there is an Insurance Mutual Fund accounted for on the UAC audit.

Westenskow: Commissioner? The audit for the Utah Association of Counties at the entity level we cannot express an opinion or present a fund for UACIM separately.

Herbert: Well, we'll get into that later on. I just want to know...to make sure it's reported accurately. This seems to lead me to believe that Larson and Company is expressed an opinion of this Board, this day, that there is \$457,000 that they believe, the auditor, the independent auditor; it belongs to the Insurance Mutual.

Lemon: I think Gary that is correct, is that not?

Douglas: At that point in time...

Lemon: That was your opinion that was the opinion at that point in time.

Baker: I think the sentence, "no monies have been returned" ought to be either ended there or deleted entirely.

Lemon: "Kent Sundberg stated that the independent auditor was concerned to find that UAC is holding and earning interest on almost half a million dollars of UACIM money".

Herbert: You're saying, "no monies have been returned", you think that should be a period rather than "causing suspicion of the management of those monies"?

Baker: Is it a fact that no monies have been returned you can let it stand but from there on it's a conclusion...

Lemon: Is that a statement from somebody, Sonya?

White: Yes, that was Kent's statement.

Lemon: Kent? Again, if he said that, that is his opinion.

Baker: Then it ought to be attributed to him.

Lemon: I agree. I think you ought to just add in there, Kent said that no monies have been returned causing suspicion of the management of those funds. He also stated that the independent auditor was concerned to find that UAC is holding...

Herbert: So Lynn, give us the phraseology so Sonya can get this...

Lemon: I'm just, having been there but remembering detail, Kent said, you have a tape that he says that so we can just say, "Kent Sundberg said that no monies have been returned causing suspicion of the management of these monies and also stated that the independent auditor was concerned to find that UAC is holding and earning interest on almost half a million dollars of UACIM money." I think that was, I mean this whole issue is trying to resolve that but that was what his opinion...

Herbert: Rather than that be a statement of fact it ought to be attributed to whoever makes the statement. With those changes, Sonya, that would be good.

White: Okay.

Herbert: Again, the statement, "Trustees have always been led to believe there was no excess money left at the end of each year." I assume that is somebody's opinion it appears based on that...

Lemon: Do you know who that was?

Herbert: ...that's not always the case.

Lemon: I'm sorry, do we know who that was?

Guzman: I just asked her, she's trying...

White: I tried to keep all their statements together, so apparently it's Kent.

Guzman: Maybe you should double check that, just to make sure.

Lemon: I think, if I remember correctly, that was Kent's. Well, him not being here...misinformed.

Herbert: We need to put down what Board Member says at the beginning. I don't know if the Trustees have always, I think if we go back and look at the minutes, we're going to find that's not the...direct statements.

Cox: I have a problem with that work Trustees. Who is that?

Herbert: Well it's changed over the years.

Lemon: The Board members.

Cox: If it's the Board members then I don't feel like I...

Herbert: The correction there would be if it said, "Kent Sundberg said the Trustees", that would probably clarify it. Okay, if you can make that change too. If it's Kent put in his name, whoever it is attributed to, Sonya.

White: Okay.

Herbert: Another issue I've got, and I raised this last time, Shawn, again I can tell you if I was looking for legal there is nobody other than Tex that I would want to have be on my team and you but it says, "Shawn, as legal council for UACIM", and again I don't know, I've never understood that you are the legal council to the Insurance Mutual. I understand your law training, you're an attorney, you've certainly been able to do this and view as attorney and legal advise but I don't know that you are the Insurance Mutual's legal council. I don't think it is part of your job description. I don't think that is what you were hired to do.

Guzman: Okay, and I did ask for clarification on that and I don't know if there are any minutes that reflect that when I was hired and I was told that I was. But in any case, this must be referring to a comment about me. I don't think this is a statement. Was this a statement that I made?

White: Would the Board feel more comfortable, I have the actual verbatim, would you rather adopt a verbatim copy of the Audit Report instead of what is written on the minutes?

Herbert: Of the Audit Report?

White: Yes.

Herbert: No, I think they're fine, I just think they need to be clarified. If in fact, again I don't know what was said, but I don't want is, Shawn is not our legal council, and...that statement in our minutes.

Lemon: Shawn, let me ask you. Didn't you say that as legal council for the Mutual, that is what I remember, as legal council to the Mutual, or something to that affect, you were wondering whether or not there was a problem as far as you giving about our fiduciary responsibilities or something to that.

Guzman: We're looking that up right now, I don't know if that was a comment I made or comment that someone else made.

Olsen: We were talking about fiduciary relationship because it makes a difference and I even approached the problem and Shawn would say that he made an investigation and that UAC, Brent Gardner, had a fiduciary responsibility, these are my words, not Shawn's, to the Mutual Board. Now a fiduciary responsibility is a situation where you have a confidential relationship. You see, what we have done here, is have Brent Gardner as the Director of the Mutual. UAC employs Brent Gardner. So they are in a fiduciary responsibility in this respect, they do have a fiduciary responsibility in this respect. We turn our money over to them, they spend it, we do not take care of the detail. So they have an absolute responsibility to come back to us and be sure what we're doing and particularly in area where Brent would have known or should have known that the Director's of this Board were regarding our annual budget as an annual budget and not an annual contract. Because he could have come back to us and said, 'well, you know, you've got a contract with UAC that says if there is anything left in the budget is forfeited to UAC, don't you?' Then the difference would have been, all we had to do was change our method in controlling the budget. But because none of us knew about it we just didn't change our ways and we've got into the situation we're in.

Herbert: What does that have to do with him being legal council though? I mean, that seems like a fiduciary responsibility is there, and Brent's not an attorney.

Olsen: There we are quibbling about something, he's law trained and whether he's our legal council or whether he brought up the point for us to consider so if you'd rather strike legal council and just say, 'Shawn said', it doesn't make any difference. But the other difference it makes is that the fiduciary has the responsibility of bringing to us the plans.

McConkie: You are the fiduciary.

Olsen: No, we are to the members but we in turn appointed another fiduciary who ran the show. You see what I mean?

Herbert: Well, again, I think we're going to get into that relationship here a little bit later as we go through this audit.

Olsen: It shifts the burden of obligation and can't handle...and also it shifts the responsibility...

Lemon: But Gary, I do think that has barring, I was there sitting as a member of the Audit Committee and when Shawn says, 'As legal council for the Mutual', it is hard for me, it becomes, I mean to me that was a problem. If I think he's the legal council, does it create a conflict? So that's why...

Herbert: That's what Shawn said in our last meeting, in fact you'll find it if you go to the August 8 minutes, it's mentioned again, and that's why it's an issue for me is that I think the fiduciary responsibility, at least it's heightened, I guess, and I think some of the concern that Shawn has is that I'm put in a box here as your legal council of this fiduciary responsibility.

Lemon: Didn't you feel that way? I mean, you felt like you were legal council, did you not?

Guzman: Yes.

Lemon: When you were meeting with as the Audit Committee you said, 'as legal council, I'm struggling with a conflict here'.

Guzman: And I can read you the verbatim.

Herbert: What do we need to do to change the minutes, because I don't think it reflects accurate. Now I don't believe Shawn is legal council, personally, but Shawn may believe he's legal council. So if you said, 'Shawn, who believes he's legal council', then I can accept that if Shawn has expressed that and that he thinks that he is, again I think he misunderstands, then we'll...another time. But I don't want to say Shawn, as if this body had said, 'Shawn is'...

Lemon: I understand that now but certainly that has barring on our recommendations as the Audit Committee.

Herbert: So my recommendation would be that we change that to say, 'Shawn, who has expressed his...that he is legal council to UACIM', because I think that's where it's coming from is from Shawn. I know Brent wasn't there, they got down here, I just need clarification, 'Shawn explained he's already discussed the Committee's recommendations with Brent since he was not able to attend this meeting'. So what we're referring to there, I assume Shawn, is the five recommendations up above?

Guzman: Yes.

Herbert: Those recommendations had been discussed with you Brent prior to this meeting, is that correct?

Guzman: Yes and going back to that last one as I read it though, I don't believe I made the statement, 'that is why the Committee is recommending a more distinct clarification'. I think this is a paraphrase of what the Board was saying. I don't think that I said that...

Herbert: ...in the meeting, how you said it.

Guzman: I don't want it to be attributed to me as saying that, 'that is why the Committee is recommending a more distinct clarification of the relationship', because I didn't say that.

Herbert: I know I heard you say it, that you were legal council, that's why I'm raising that.

Guzman: I'm not talking about the legal council part but I was not the one that said, 'that is why the Committee is recommending a more distinct clarification', I think that's a paraphrase of what was being said at the Board meeting.

Lemon: But it was the reason we were recommending that.

Guzman: I just don't want it to be, look like I'm saying this is the reason why the Committee is making this recommendation because I wasn't making the presentation.

Herbert: Maybe, 'as legal council' ought to be struck out of there entirely.

Guzman: We could say...

Olsen: If the minutes need to be that we just talked about it and that was said.

Lemon: But it is because of the fact that he believes that he's legal council that we think there is a relationship problem, it's not that...it was because of that we thought there was a conflict between, I mean, that there needed to be a more distinct definition of his role as it related to the Mutual and UAC.

Olsen: It demonstrated the very problem we're concerned about.

Roundy: How about just putting a period behind 'situation' and striking, 'and that is why'.

Herbert: What do you want to do for legal council? Again, I know that Shawn, questions asked before, he'd gone to some other law firm and asked an opinion on fiduciary responsibility and it was kind of prompted because he was...legal council, in his mind, for the Insurance Mutual. It does give us at least a little bit of an insight as far as what's prompted some of the little nuances of where we're going.

Lemon: See, I don't think you can strike legal council from their because that's the reason for this recommendation.

Herbert: Rather than Shawn stating this, how about, 'Shawn, who believes he is legal council'. I assume that the Audit Committee said well we thought he believed he was legal council therefore we acted accordingly.

Roundy: I don't think there is any doubt but what Shawn believed that he was working under that assumption. Do you agree Tex?

Olsen: I agree.

Herbert: Let's make that the modification. That probably helps to clarify, 'who believed he is legal council', 'Shawn believed he is legal council for the Insurance Mutual'. Okay, (tape ended), adjourn the meeting until July 18 and yet there wasn't a meeting on July 18, was there?

McConkie: No, we set one in that meeting and there was a subsequent change.

Herbert: Okay, I just wanted to make sure. There is not any minute...

Lemon: The July 18 meeting becomes the August 8 meeting.

Herbert: Okay, with those changes, I would recommend, anything else that the Board has got. Anybody want to make some addition changes, modifications, criticisms, concerns, if not I will entertain a motion to approve the June 27 minutes as amended.

Olsen: I'd so move.

Herbert: Tex, any discussion, second.

Cox: I'll second.

Herbert: All right, keep awake now.

Cox: Second.

Herbert: Second.

Olsen: The Audit Committee is awake.

Herbert: All those in favor say, 'aye'.

Aye.

Herbert: Opposed. Motion carries. I apologize for belaboring this issue. I know this is not usual for us. I think this is. Okay, we are now at the August 8 minutes. You all should have copies of those.

Baker: On page three, number five, 'This is a problem'. Seems to be a conclusion....be better.

Lemon: Now where's that at?

Baker: Page three, number 5, the last sentence. I don't know whose concern that is?

White: Tex is giving that report again.

Olsen: This was my report and specifically, this was the reason for it. We have office equipment that we have bought as a Mutual. That does not show up on our inventory. Charge for office equipment and there isn't anything specific as to ownership and that concerned me.

Baker: And if that's your statement it ought to be attributed to you.

Olsen: Well, I think, everything through, see...

Herbert: It starts out, 'Tex Olsen, Chair of the Audit Committee, explained that each year'.

Olsen: And each of those items were part of my analysis of our problem.

Herbert: Let's just start at the top. There's a couple of things I've got. In the, we understand this is the Audit Committee and the recommendations and the Audit Committee and maybe some things would be challenged. But the last sentence in the first paragraph, the next to the last sentence in that first paragraph, it says, '...because of the close relationships with no clear identification of expenditures, no clear identification of authority and...' what's that word there Sonya, 'conducts of creative accounting'.

White: I'm sorry, I lost you. Page two?

Herbert: First paragraph page two go to the last line of the paragraph, it says 'identification of authority and conducts'. The sentence should read, 'This is especially important in this day and age where problems in the private sector, because of close relationships with no clear identification of expenditure, no clear identification of authority and conducts of creative accounting.' Conduct? Is it conducive? Come conducive of creative accounting? I don't know if we've got a work missing or what. Maybe my vocabulary isn't large enough. Can't figure out what that's saying. It's like it should say, 'smacks' of creative accounting.

White: Lynn did I attach that verbatim to those August 8<sup>th</sup>? It wouldn't have anything on the top it's just typed and who said it.

Olsen: Now, this is the sentence we're talking about, 'this is especially important in this day and age where problems in the private sector, because of close relationships with no clear identification of expenditures...' probably just add an 'and' 'no clear identification of authority'. Well, probably what was said was 'promotes creative accounting'.

Phillips: Well, there's been conducts of creative accounting with Enron and others in their conducts of creative accounting. I think that's what Tex did say.

Olsen: Well, that's what I was talking about.

Herbert: So maybe it's just conduct, singular not conducts.

Guzman: Or you could put, this isn't, even though I think what Sonya tried to do, because these were important minutes is get as much verbatim as she could but it doesn't have to be verbatim so if you want to put, 'incidents of creative accounting' something along those lines because I don't think these are meant to be verbatim.

Herbert: I think you're right but we want to understand. So, does that make sense, Tex, that should say, 'no clear identification of authority and incidents of creative accounting'?

Olsen: Well, what I really intended to say, 'leads to creative accounting and is being reviewed'. What I was really talking about was the private sector and the identifications and responsibility is not clear. So, then that would be amended to, 'clear identification of authority leads to creative accounting and is being reviewed' and I was talking about the private sector.

Herbert: Page three.

Wall: Before you start other items, that last line in paragraph seven, 'Under expenses, most of the line items are straightforward and the actual expenditures appear to be shown but the following item...' should be following items.

Lemon: You know what, I don't know if you want to go back to this but I finally found it. Let me just read this to you if it will help clarify, it said, 'of course we are in a climate' this is Tex saying, 'of course we are in a climate right now where I've just been looking at a Kiplinger Letter that came out just yesterday where they are reviewing the problems in the private sector because of close relationships and no clear identification of expenditures and no clear identification of authority and in areas of creative accounting'.

Herbert: 'areas'.

Lemon: 'areas of creative accounting'.

Herbert: Should we go back and...'areas' is that okay Tex?

Olsen: Uh huh.

McConkie: That verbiage that is mentioned in the second paragraph on page two, help me remember correctly because I don't remember it this way. I note in a motion in which Shawn...'The first recommendation(s) was approved at the June 27 Mutual Board meeting', and it's got in parenthesis '(replacing Brent Gardner's signature)'. I don't remember that motion was to do that it was to also add Shawn's authority to sign but not to replace, am I wrong?

Herbert: Actually I think the minutes will reflect that their recommendations were to 1a and 1b were in fact approved. I think the recommendation of 1a was to take Brent's signature off of the account.

Guzman: And those are two different, just to clarify, those are two different accounts. That one is just the claims check and if I remember correctly what the Audit Committee said was, you see those claims going through because you're the Director so you know what the claims amounts are. So that is just when McLaren signs for our claims checks, and said, you should be the one to sign those so that we can get those checks out and then the other one is one where Brent Gardner's signature is still on, I believe, isn't it? Administrative expense checks? Which are all the non-claim checks.

White: That is not my understanding.

Guzman: Well I have to go back and look.

Cox: We had those four recommendations from the Audit Committee, two of them we adopted.

Guzman: It is one of four individuals authorized to sign. Oh, are you saying the Board members and me?

White: Yes.

Guzman: I just sign the signature cards.

Herbert: There was a recommendation given. The Audit Committee is actually following in some ways the recommendation, I forget the name of the firm we had here a couple of years back kind of view how we're doing things and the process and one of the recommendations, I think they were, give additional responsibilities to Shawn to expedite checks.

McConkie: Well, I think that last sentence has to have one word added to that. The beginning of the sentence starts, 'Shawn Guzman be one of the four individuals authorized...' says 'one of the four individuals', suggesting no replacement. Who's the other three?

White: The other three are Board members and I thought the Board would rather have more signatures on those checks than staff.

McConkie: Then it goes on, '...administrative expense checks, the Director', that should say Assistant Director because in my recollection is that's what Shawn was hired as and I don't believe a promotion has taken place because Brent is officially the Director of the Mutual.

Olsen: And that's what makes this close fiduciary relationship that we're talking about. Actually he is an employee of UAC and actually instead of us saying we were stupid for not doing these things, UAC is actually in a position where they have to prove to us for a...

Herbert: Again, I think that's another issue we're going to talk about. But the question is, this ought to reflect how things are and not how they ought to be and so I guess the technical correction, what Commissioner McConkie is saying is if the title of Shawn is Director so be it, if it's Assistant Director well then that's what ought to be reflected.

Lemon: Is that the title?

McConkie: That's what he was hired at. You go back in the prior minutes you're going to find that we as a Board approved the hiring of an Assistant Director and Shawn was hired to fill that position.

Guzman: Now, see, and I haven't understood it either. I know that in looking at the minutes, the title for Brett was changed to Director from Assistant Administrator; I believe it was, and Brent had said that you are the administrator, right?

McConkie: ...we're going to hire you shows that we approved the hiring of an Assistant Director and your name are in those minutes.

Guzman: Well, then we need to clarify that.

Herbert: Whatever he is, just a good guy.

McConkie: His is that.

Herbert: Whatever his title...if it's Assistant Director, so be it. Let's see, anything else on page two...whether in fact there's a contract between the Insurance Mutual and UAC, on page three now, again this is a report that Brent actually asked the questions and challenges some of the statements of the Audit Committee so I think that reflects accurately if there was some differences of opinions to what's taking place here. I did want to go down to the first paragraph after number eleven, 'The 2000 reconciliation sheet that Brent has prepared shows an ending amount of \$9,476. These figures have been modified and are distorted from what the Committee identified at its May meeting. Discrepancies have carried through to the UAC/UACIM Year End Reconciliation 2001 (see attachment #3) including an administrative fee expense allocation...' so on and so on. Is that phrased correctly? We're making a statement here, 'These figures have been modified and are distorted.'

White: If I'm correct, I think it was Kent's statement, Lynn, if you can.

Herbert: I would feel a lot more comfortable if you said it, 'Kent stated that it was his belief'.

White: I'll have to clarify that with what Lynn has.

Herbert: 'Kent stated it was his belief', if that's in fact the case, 'these figures have been modified and are distorted from what the Committee identified at its May meeting.' I would feel more comfortable with that. Are you checking that out for us then?

Lemon: I'm trying to find it.

Herbert: Let's assume that's the case and move on.

Gardner: Herbert?

Herbert: Yes.

Gardner: Can I, on number nine, just up above where you are.

Herbert: Debt reserve.

Gardner: Yeah. There is a sentence about, 'In the year 2000, the Mutual paid \$5,634 and in 2001 the Mutual's share tripled. I thought, and again I'm just going from memory too, that that was clarified to indicate that in the two comparisons that were being made there was a reverse of categories so that is why it tripled. I thought, if I remember right, I clarified that when the concern was raised about the \$5,634 tripling it was over those two sheets I had and I had reversed a category.

Herbert: Unless the Audit Committee is willing to accept that change though, my belief is this is the Audit Committee's report, that's what they thought had happened, I would think that if there was a clarification it ought to be added down in your comments of saying, 'here is the reason why an explanation...I would think that would be more appropriate, Brent, unless the Audit Committee feels differently.

Gardner: No, that's fine.

Olsen: Well, those were things the Audit Committee was calling your attention to.

Gardner: That's what I understand to.

Herbert: Again, Brent, if there is some...misunderstood here, and this is why it happened, that ought to be down in your remarks below. In fact, you do make a comment, your remarks start, Brent, right there at the last paragraph, 'Brent's first comment was that he was surprised that he had not been approached prior to this meeting.' ...all these questions.

Lemon: We were talking about the paragraph above that, or the last, can I just read what was said here and maybe we can decide how you want to do it. This was Tex, 'you see we don't know how they're carrying the budget in regards to whether they are or aren't those items would come out of their payment to acquire a building and they would not come out of...how you could assess the Mutual \$17,000 because our share of the building is depreciating that is just not an item, is not a cash expense item. So you see how our figures are getting a little distorted as you go to the year 2001 you have the same problems. The administrative fee instead of \$5000 has multiplied to \$15,000 and the rest of the column I've named has pretty well carried up through the accounting but it shows you have a problem. So I guess that's...

Herbert: That sounds way different to me than, 'These figures have been modified and are distorted from what the Committee identified at its May meeting. That is a lot more harsh.

White: Look down a little bit further under Kent.

Herbert: I seem to recall Sonya said, I think Kent came in later on.

Lemon: Then we got, Gary, you speak, then Tex speaks again, then you speak and then we start with Brent, 'I'd like to respond'. Are you saying it's beyond that?

White: Yeah, he kind of went back and so go back, this is why it took me so long to get these minutes to you guys.

Herbert: Hey listen, you've done a mindful job for as long and lengthy...all these politicians talking.

White: But it seems like he had gone back to subject of the two different spreadsheets that were given...

Herbert: I remember Tex, Tex has always been good to say, you know, we just don't know that's why we need the audit, we don't know whether this is UAC's money, whether Insurance Mutual's, research it, there's questions that's been raised, we've got some concerns, I think that all is very legitimate. It's when we actually draw conclusions without having all the facts, is what I'm a little concerned about or we seem to be making a, drawing a conclusions of whether we approve these minutes that's maybe not warranted. Keep looking Lynn, I think that was Kent that said it.

Rawlings: Brent Gardner asked me in that meeting to come as a UAC Audit Committee member.

Herbert: Do we not have a chair for you?

Rawlings: No.

Herbert: You're not a...member are you.

Rawlings: I'm sorry.

Herbert: I didn't mean that you couldn't speak if you had a question.

Rawlings: I just wanted to say that I raised that question in that meeting about the...numbers and was responding back to that the numbers were reversed.

White: That's correct.

Herbert: Okay.

Rawlings: That's all I wanted to say.

Herbert: I was thinking you were part of the Committee and why were you sitting back there because I remember you sitting right here at the last meeting. Thank you for that, appreciate that.

Rawlings: I didn't know if it was in the minutes.

Herbert: I'm on page four now. Brent do you need to go through there for something...of your comments, you need to bring it up now.

Gardner: Well, I don't see what Steve was...I've read them.

White: I think what I ended up doing is I just corrected it to show the correct amount on those items because they were just transposed on the spreadsheet. So on the minutes, I refer to them as either, it seems like it was the Building O&M and, what did we call that other one...

Gardner: No it was the Debt Service Reserve and Repairs and Replacement Reserve that were transposed.

Herbert: Brent goes through and kind of gives his response. I had a concern and again we've already raised it, again if you go down to the second paragraph on page four. It goes on, the second sentence, 'As requested by the Mutual

Board at its July 27 meeting, Shawn Guzman gave the Mutual Board a memorandum prepared by Craig Wentz, Christensen & Jensen, relating to fiduciary duties (see attachment #4). The fiduciary duties of the Mutual Board can be discussed at the next meeting but Shawn, as legal council to the Mutual Board of Trustees, stated that the analogy given that the agreement between UAC and the Mutual is the same as a contract with a private entity is not a good one because UAC controls the assets of the Mutual and therefore, has a fiduciary duty of candor and disclosure.' Again it goes back to what Lynn was talking about earlier that...part of the motivation for this concern on fiduciary aspects is the belief that Shawn as legal council to the Insurance Mutual. I don't think, we're making a statement here, Shawn as legal council that that is a given. I think that needs to be modified.

Phillips: But the rest of the statement would hold true.

Herbert: I think that there is a fiduciary responsibility is all around. Brent has a fiduciary responsibility to us.

Phillips: I think that is what he was lining out, what fiduciary responsibility is.

Herbert: I think Shawn had talked about the reason he went to Craig Wentz, Christensen & Jensen, is his belief as legal council, he is put in a peculiar box and a heightened fiduciary responsibility situation. That is why this conflict that Tex is talking about exists, at least part of it. I'm just saying, if you want to change, put that in to say, 'Shawn, who believes he's legal council', I'll accept that. I won't, don't accept the fact that it is just a statement that Shawn is legal council to the Mutual, because I mentioned it earlier, I don't believe it.

Lemon: We've already stated we say he is not legal council, but at that time.

Guzman: I don't think it changes the meaning of the sentence if you take out, 'as legal council to the Insurance Mutual Board of Trustees'.

Olsen: The opinion is the same whether we call it legal council.

Herbert: Let's just strike it out then.

Olsen: Let's correct it by, I'd make a motion that we appoint him as legal council.

Herbert: I rule the motion is out of order. So, but I will, if you want to modify the minutes to say that he believes he is or strike it all together, 'as legal council to the Mutual Board of Trustees'.

Lemon: The only problem I have in striking it all together is that I believe part of our conclusions and assumptions were based on that.

Herbert: Then you ought to state that. The Audit Committee or who ever believes that. I was there and I don't...

Lemon: No, I'm not saying, I'm just saying that we made decisions, we made recommendations based on the fact that we thought he was our legal council. Now if he's not our legal council...

Herbert: Who is 'we'?

Lemon: The Audit Committee and again if that is what we determined, I heard the discussion at the last meeting that Shawn is not our legal council, he has never been appointed as our legal council, so I don't have a problem with that. All I'm saying is the reason I have a problem with you striking it is because we were making assumptions, we were making decisions with the assumption that he was our legal council.

Herbert: I don't think we ought to have it stricken either I just want it clarified the things that I'm saying. If you want to state that either Shawn believes it or the Audit Committee believed.

Lemon: I think the Audit Committee believed.

Herbert: 'Shawn, who the Audit Committee believed was legal council, believed at the time was legal council', let's put that in. 'Who believed at the time he was legal council of the Insurance Mutual'. That would be my recommendation to make that modification. Is that okay, is that okay, Tex.

Olsen: I don't have any problem with it.

Herbert: Well we'll talk about this...

McConkie: Well, I think you're right and that is exactly the money, the comments that were made were because you were under that assumption.

Lemon: It's true.

Cox: But as a Board Member, Gary, being on this Board for just a short time, I've heard that statement many times and I thought, had been under any other interpretation of it, that Shawn wasn't our legal council. It has never been explained to me as a Board Member. Is he or isn't he? So I have been under the assumption ever since I've been on the Board, because it has been mentioned many times that I can think of, I don't know if he is or isn't but it needs to be clarified.

Olsen: It happens that Shawn is a lawyer and he expressed an opinion and he thought he had a further obligation to us because of his situation so he said that I did do a little more research because of that background and his research brought him this information and then he brought it on the Board and to the Audit Committee.

Lemon: I can't be certain of this either but I think, prior to the Audit Committee, I did hear Shawn say from time to time, as legal council for the Insurance Mutual, I've heard that in our Board meetings.

Herbert: I am prepared to say that Shawn has believed that, probably used the phrase. I can tell you, I've been here longer than anybody, I feel so old, and I can't remember everything that's happened, my gosh, I bet we've gone through more research on minutes in the last month since I've been on the Board and I can't remember a lot of stuff. I go back to refresh my memory and read the minutes and that's why minutes are important. How things have evolved to where there are I think we've all felt pretty good until recently and all of a sudden we've got a problem, which is legitimate, it has got to be addressed. The fact that anybody's memory is a little foggy doesn't surprise me at all because I've probably got the foggiest brain of anybody and we've had a meeting once a month, you think about it, since 1992. I've been on the Board since 1994 and virtually meeting every month and all the things we talk about, good grief, it all runs together. Anyway, let me explain, my belief is that there are no bad people here. All this is legitimate stuff, there is no boogiemer, there is nobody bad and we're just trying to make sure the management of the Mutual is proper.

Cox: I had something in the second to the last paragraph, this might have been said, I don't know, 'By reviewing Mr. Wentz's memo and then reading the original motion of the Mutual Board of Trustees at its October 26, 2000 meeting, in the beginning of the process of the new agreement, it reads *any positive balance at the end of each year will be reimbursed...*' but part of the problem I have with this, *'retroactive to the inception of the Mutual'*.

Herbert: I think that was the original motion. UAC ended up not agreeing to that. There were subsequent negotiations but the ultimate came up to year 2000 agreement, so called, where we actually targeted within 75 hundred dollars no reconciliation needs to be down. If you're outside the 75 hundred dollars, either way, there has to be a reconciliation done.

McConkie: Someone clarify the next sentence, Commissioner, after going back and forth, they finally agreed, it's in the next sentence.

Cox: Yeah, I did that but this first one said, 'to the inception' that would be 1992.

Lemon: The original motion in 2000 did say that, did it not?

Cox: The contract doesn't indicate that at all.

Herbert: I did say that, I remember now and I think Danny actually made the motion.

McConkie: It wasn't me, it was San Juan County, Ty Lewis, I think Ty and I did make the motion, one of us made it, one of us seconded it, there were two motions in there and I'm pretty sure Ty and I were the guys. But the agreement didn't end up being that between the two organizations.

Herbert: Well, I think we'll get into that. Anything else on page four? Page five (tape ended).

Olsen: I wanted the money to come back to the Mutual.

Herbert: Well, 'if the administrator of those funds saves money he', so we just need to clarify, does that mean the Insurance Mutual you've got there or is that UAC.

Olsen: It should be UAC because any forfeiture of funds is UAC, so that is the meaning.

Herbert: So what we ought to say is that, 'He was never concerned that the budget was considered to be a contract with UAC and if the administrator of those funds saves money UAC can keep it. Would that clarify what your intent was there as opposed to 'he' as if there is some individual here that maybe has the ability to keep and slush funds.

Olsen: And that was an interpretation that never entered my head, yeah, that's what I was thinking.

Herbert: I was positive that's what you meant. The sentence I'm looking at is, 'Kent Sunderg stated that the original agreement was silent about the reimbursement', I think we can all agree to that. He goes on to say, and I guess as long as it's his opinion, '...the Mutual Board has always been told that the administrative budget was actual expenses and not arms length transactions.' I'm not really absolutely positive I understand, you'll have to clarify what this 'arms length transaction' means.

Olsen: Well the distinction is if you're dealing with confidential...you fiscal officer who runs the show for you or if you're dealing with your attorney or with your real-estate broker it means...

Herbert: The fact that Brent has two hats makes it not, it can't be, as long as Brent wears two hats, it can't be an arms length transaction.

Olsen: That just can't be.

Herbert: I don't understand how that fits in with Kent's statement, '...the Mutual Board has always been told that the administrative budget was actual expenses and not arms length transactions.' I mean, it's a given. We have a relationship that doesn't as long as we have Brent wearing two hats, which he has been directed to do, by the way, can we ever have an arms length transaction.

Olsen: It is just where it leads us.

Herbert: I just don't know, if he stated it so leave it in there, but I just don't know the germane.

Olsen: ...the minutes were, we better just leave it.

Herbert: I agree, I shouldn't have brought it up, I apologize. There is a statement those, '...the Mutual Board has never been told there was a surplus', actually it could end up being the crutch of the problem because we're having an audit, there is a question, is there a surplus.

Lemon: We know that statement is not correct but that was what was said.

Baker: The think the sentence that starts, 'All of a sudden...'

Herbert: Where you at?

Baker: Just a little further down than you were. 'In reviewing the reconciliation spreadsheets prepared and presented by Brent...' 'All of a sudden'. So here it says, 'The Audit Committee was shocked...' and then it talks about, 'In reviewing the reconciliation spreadsheets...', then it goes to 'All of a sudden the 2000 surplus of revenues over expenses that was \$94,000 has shrunk to \$9,000 and in 2001 the excess revenues over expenses that was \$54,000 is now a minus \$40,000. This type of creative accounting does not commend much confidence in UAC and the money should be returned to the Mutual.' I think if somebody said those their name ought to be there.

Lemon: Kent said that, I just read that right out of the verbatim.

Herbert: Kent needs to be here. That's a good point. Let's put 'Kent Sundberg stated'. I think we've had clarification already on this, Sonya, just down there about six or seven lines, says, 'She has detailed spreadsheets with supporting documentation on a cash basis for the administrative budget that calculates to the accumulation of the \$457,000 fund', that is what I think you referencing what you told us earlier, that's how Larson & Company got the information. Again, so we understand that is how...I don't think we need to change the wording here.

Baker: There on the twelfth line, 'The large amount of \$457,000 surprised many of the mutual Board'.

Herbert: Yes.

Baker: Seems to be an editorial comment. Is it attributable to someone?

White: I'm sorry, where are you looking.

Herbert: On the right-hand side about halfway down, start on the right side, 'The large amount of \$457,000 surprised many of the mutual Board'.

Olsen: Well I guess the Audit Committee was surprised, that's three of the members.

Lemon: I do think there is a statement in here to that effect but I'm trying to find it.

Herbert: I clearly recall somebody stating this.

White: That's your statement, Gary.

Herbert: When the \$457,000 was brought to my attention it surprised me too.

Phillips: You say that was Gary's statement? That's your statement.

White: That is a continuation of his up here, I mean I could be wrong, but look at the verbatim.

Guzman: So these minutes, today's minutes should say, Gary was surprised to hear that he made the statement...

White: That he was surprised.

Herbert: It did come as a surprise so don't get too excited. Is there a statement, I think I might have said it.

Olsen: The statement was made by several, this surprises me or I was surprised to learn. Gary made it specifically and I think each member of the Audit Committee made some statement along that line.

Herbert: Even if you attribute my name to it or a number of us said. It's a statement of opinion... That is all I have on that. With those modifications, the only one we still have up in the air is that one statement that we think Kent said it but we don't seem to have it written down.

Lemon: I cannot find that. I can't find anything where he's talking about that...

White: I could modify it to what Tex had said then.

Lemon: I can't find him talking about that...

Herbert: If you can't find it to verify then we ought to say, 'some Board member said'.

White: I could modify it to what Lynn read of Tex's statement that went along those lines.

Herbert: But the intent is way different than what Tex had said though, maybe just take it out.

Guzman: If I may, I did find in the minutes from May of 2000 where I was recommended by Brent to be hired as the Director and the motion was made to hire me as Director and passed. So the title that was given, at that meeting, was Director.

Herbert: ...because we posted the agenda I think we referred to you as Director and it's just, I think if we look at the actual legalese of the job description what we hired you for I think your official title and application was probably Administrative...anyway, whatever you are you are and...

Guzman: That means that only for the purpose of the minutes because it was suggested that maybe we needed to change the title in here but that's...so, we'll leave the title, when it refers to me as Director on these minutes we leave it as Director, is that what the Board...

Wall: It shows Brent, Executive Director and Shawn as Director on all these minutes...

Lemon: I did find in here where Kent said, 'we are frankly shocked that there was a \$457,000 surplus'.

Baker: I think it ought to be attributed to him.

Herbert: I've got here in my hand, it's called, UACIM Assistant Administrator, what I think your official title is, 'Purpose, the Assistant Administrator will supervise the day to day operation of the Utah Association of Counties Insurance Mutual (UACIM) and work under the general supervision of the UAC Executive Director. The Assistant Administrator will be responsible for informing the Executive Director and the UACIM Board of Directors (Board) of the programs, activities, deficiencies' and so on and so on. So my belief is your official title is UACIM Assistant Administrator. What we've called you is Director because we've always assumed you are the guy running the show of the Insurance Mutual but I think that we also understand the you serve under Brent Gardner as part of the discussion...but if we're talking about official title it is UACIM Assistant Administrator. Sonya are you clear in your mind what we are doing on that one statement.

White: No I'm not.

Herbert: We're going have to back up...

Olsen: I think the statement ought to be left in because that specific statement that is attributed, because I really believe several of the directors acknowledged one way or another that they were just surprised at the figure that we're talking about.

Herbert: No, that's not the one I'm talking about.

Lemon: You're talking about the '...2000 reconciliation sheet that Brent has prepared shows an ending amount of \$9,467. These figures have been modified and are distorted from what the Committee identified at its May meeting.'

Herbert: That's the statement I...

Lemon: I can't find it anywhere in here.

Herbert: You can't find it, if there's no backup for it then that ought to be taken out, where it says, 'These figure have been....

Lemon: It could be here.

White: It's in there, probably what I did is compile a couple of different statements.

Herbert: Here's what I recommend the motion, adopt the minutes as modified and in that particular incidence, if you can find it and it's attributable to Kent Sundberg and Kent Sundberg stated his opinion should be added, but if you can't find it let's just strike it because I don't think that is what Tex said.

Lemon: Do you think, Sonya, did someone say, 'These figures have been modified and are distorted from what the Committee identified at its May meeting'?

White: I recall that Kent said that somewhere in there.

Herbert: I remember him saying something; I thought he was a little bit harsh.

Lemon: I've looked under all the ones that have his name and I can't see it.

Herbert: Before the days out, Sonya will have a chance, maybe, to look at that. Again, my recommendation is to adopt everything that has been modified with the exception of that one and the recommendation is that if she can find it and has got backup for it that Kent stated that that she will add in there Kent Sundberg stated it is his opinion, if not strike the sentence.

Tex: I would make that motion.

Herbert: Alright, Commissioner, there's a motion. Is there a second?

Baker: I'll second that.

Herbert: Steve Baker. Discussion. All those in favor say 'aye'.

Aye.

Herbert: Motion carries. Okay, we're down to the last one. The first page, page two, is everything okay, yup, no clarification.

Cox: On page two, Gary, at the very bottom, I think the statement is there and it's true but it says, 'Brent Gardner has been doing a good job for the Mutual but his responsibility lies with UAC'.

Herbert: I think that's probably the facts of the matter. Brent Gardner has been doing a good job for the Mutual but I think the statement was made, at least the Audit Committee feels like his allegiance is to UAC first.

Cox: I agree, I'm just clarifying in my opinion that his alliance is really to both.

Herbert: I think you are right, LaVar. Again, is that the right statement there, Tex, does that represent accurately, 'Brent Gardner has been doing a good job for the Mutual but his responsibility lies with UAC' or do you believe his priority?

Olsen: Well, maybe I should use the word allegiance is with UAC.

Herbert: Primary allegiance.

Olsen: And it has to be because they're his employer and the agreement is through UAC and he's the Director of the Mutual.

Herbert: I think, again, we know that's why we're having the discussion...points all taken, whether you feel like you should make any modification to that statement we can...

Olsen: Well, LaVar do you think I should have used a different word than responsibilities?

Herbert: It's like you are saying his responsibility has to be with UAC opposed to he has Mutual responsibility.

Phillips: Primary responsibility.

Several talking at once.

Lemon: Sometimes we hate to read what we said.

Cox: Tex his primary responsibility would be to UAC but he would still have a responsibility to UACIM instead of would be through Shawn, you know what I mean? He's delegated responsibility as part of that responsibility to Shawn. So I look at the statement, he still has responsibility to overlook certain situations of the Mutual. I don't know if it needs to be corrected I'm just saying that I feel like he is carrying responsibilities to both organizations.

Herbert: It's actually kind of implying that because, Tex mentioned, he...Insurance Mutual so it is a conflict it is the fact that he's wearing two hats that's the issue.

Olsen: The problem is that on the one hand this contract to give services are a fee to the other party so he is performing the services and then determining the contract or lack of contract that is the first conduct between us and really places...spot.

Herbert: Unless there is...the only question I really have on this one is the approval of the 2003 General Budget. Kent Sundberg made a motion and we made some modifications as we caught the end of our meeting in modifying that budget. As I recall in the discussion, I haven't talked to Brent or anybody about this but as I was reviewing these minutes, I know there was some discussion back and forth that Brent had come in, we had been in a closed session, had some discussion, we made some modifications to the budget or talked about making some modifications to the budget, came out of closed session, Kent made the motion, Brent then made some clarification that we haven't taken this into account and we actually made some changes although what Kent originally made his motion to. I just want to make sure whatever we got down here we're approving is really what we finally motioned, seconded and approved the numbers are right, and I don't know, Sonya?

Cox: We changed that right on that budget. I don't have it with me but I know we made some modifications to it.

Herbert: So, keep looking Brent, is this...

Gardner: I think the question was relating to the Building Debt Services. I can't remember what Kent had originally had, \$28,000 or something, and I indicated to him that that was not a complete number and he came back and said we picked up something different. I think the \$87,000 is right.

Herbert: Okay, if everybody feels like he's under the right, Sonya and Brent, anybody else that can remember that discussion. I just want to make sure that is correct. Okay, well that's all I've got if there's anything else? Speak now or forever hold your peace. I can't wait to see these minutes, Sonya.

White: I sit through this meeting once, it's hard to go back and listen to those tapes.

Herbert: It's like going through three meeting again. It's like watching a John Wayne movie again and again. If you ever get tired of it... We need a motion to approve the minutes of August the 28 as modified...we didn't modify it did we?

Norman: Nope, we didn't modify them.

Herbert: We didn't, we just had some discussion on clarification. Let stand. Who made the motion? Royal and Kay seconded it, discussion, all in favor say 'aye'.

Aye.

Herbert: Let me just say, we are going to go into the Audit Report and for the sake of time we won't take a break but we will let you, if you need to, walk around, get juice, we just don't have a lot of time today and if you need to take a break, just do it. We're going to keep pushing on.

Guzman: Do you want to skip the Broker Report and we'll put it at the end and we'll get the important things first—no offense John.

Herbert: We're going to go right to the audit. We're going to handle the things which are most important today and make sure that gets done and if anything else gets done, great. Okay, skip over the Broker Report without objection.

Lemon: So did we approve the August 28 minutes without correction?

Herbert: Yes, we had some discussion on clarification and elected to stand as written. The Audit Report. Now let me just again set this up. We've got, this has been a little more tricky than what we originally thought as we did this, but as I've stated, my position at least is we are going to do it right first and we'll do it quick second. It's too important, there are too many issues on the table here and our relationship with UAC and the Insurance Mutual obviously all of us want to make sure we preserve that, make sure we not cause something that is going to be to our own detriment as an Insurance Mutual Board of Trustees. So what I've asked to do, is Robison Hill is the auditing firm, accounting firm for the Utah Association of Counties has been cooperating and helping with this. It has taken a little longer than what we originally thought and has put Larson and Company at a little bit of a deficit as far as time wise in order to get their report ready today but they are both prepared. So what I would like to do is have Robison Hill go through their part, their presentation, I've talked to Larson and Company and they agree this is the best way to do this, they'll tell what they've done in their auditing of this stuff and what they've given to Larson and Company and we'll let Larson and Company give us their report, as a Board we have authorized them to do, and to whatever extent they have been able to complete it. I don't know exactly where it's at and we'll let you make those... so if you'll do that.

Gardner: I'm handing out copies of what Larson, err, Robison Hill has put together. They've prepared financial information relating to the costs associated with the UACIM Insurance Mutual Transaction Fund. In order to do that, they had to pull expenses from a variety of other places in UAC's financial statements. UAC, for management reasons and other reasons, has not allocated all of the costs to the Insurance Mutual Transaction Fund. So in order to make sure that this Board has a complete understanding of what those costs were they need to go back and prepare this cost allocation report and so in order to try and give Larson and Company something to work off of we went to them and asked them to prepare it. So you have a copy of it now, it covers the year 2001 and so all turn the time over to Dale Westenskow.

Herbert: Just so you know, we talked about this last time too, we went to the UAC Executive Committee to get authorization/permission for them to do anything and everything that needs to be done, frankly it's been authorized to give Larson and Company so, with that, we'll turn some time...

Westenskow: Is it okay if I come forward.

Herbert: ...come to the spot tell us your name.

Westenskow: My name is Dale Westenskow, I'm a partner of Robison Hill and Company, accompanied with me is Ken Mackay and Greg Poulson that have been involved in the monthly accounting and also the year-end audit report as well as doing the majority of work on this engagement. We have performed an engagement based upon agreed upon procedures. I'll avoid using the term 'audit' because in the accounting world the term 'audit' is doing a financial audit with supporting footnotes conducted in accordance with standards established by the American Institute of Certified Public Accountants and generally accepted accounting practices. This report has been prepared based upon other procedures, agreed upon procedures as to what we would do. It is not an audit report with a balance sheet and

income statement with and supporting footnotes with an auditor's opinion as you normally see your annual financial audit. So I use the term 'agreed upon procedures' report.

Olsen: That conveys to me that the idea that there was some agreement or some direction that you received in prorating these expenses and you talk about agreed upon procedures, where was the source of that agreement?

Westenskow: That I will be addressing here in just a moment and if I might, Chairman, could I suggest making notes of questions and allow me to do the presentation and then come back and address each question for each of the areas to maintain continuity.

Herbert: So moved.

Westenskow: Again, the underlying reason this, we were asked to do this, was it appears that initially all parties concerned, interpreted the agreement between UAC and UACIM as an administrative fee arrangement as both parties in their accounting records, audit reports referred to it as administrative fees. It is now our understanding that this has come into question as to whether it was just a fee arrangement or not, therefore, we've been asked to prepare this report to identify direct and indirect costs should be allocated to UACIM as parties who benefited from those costs. Let me turn to the report. Now if you turn to the first page that has our letterhead, the agreed upon, okay, Commissioner, you inquired as to where these agreed upon procedures came from, that is addressing in the first part of that first paragraph. 'We have performed procedures enumerated below, which were agreed to by the Executive Committee and Management of Utah Association of Counties (UAC), solely to assist in analyzing UAC's financial records and preparing schedules with supporting documentation showing the cost that should be reasonably allocated to Utah Association of Counties Insurance Mutual (UACIM) for the year ended December 31, 2001.' If you go down to the first listing that says, 'Agreed-upon procedures' this is a general outline of what those procedures were that were agreed upon in our engagement letter, that we were to, 'analyze UAC's financial statements to determine direct costs that were attributable to UACIM, number two, to analyze financial records to determine the amount of any indirect costs that should be allocated to UACIM, to interview management and other personnel to identify and account for all direct expenses, shared costs and services, number four, identify and summarize supporting documentation that may be available upon request for third party review, number five, propose a reasonable basis of allocation that may be applied to future and prior years'. The next section is a recap stating that, 'we obtained from UAC the following information to assist in performing the agreed-upon procedures, number one, the general ledger for the year ending December 31, 2001, number two, descriptions and allocation basis of general ledger accounts, number three, payroll records for the year ending December 31, 2001, job descriptions and estimation of time spent performing services for UACIM, number five, schedules and calculations of reserve accounts'. The next category, the 'Summary of our Conclusions' and following that I'll be going through the detail to support these conclusions. Number one, 'Utah Association of Counties monthly compilation report contains numerous funds that provide management with certain information to assist in the decision making process. As a result of this, not all expense for one fund are included in that fund, as they may have been recorded to additional funds. An example of this is McLaren's portion of the building usage'. Number two, 'Utah Association of Counties allocated a number of expense categories based upon percentage of usage. Items such as certain salaries were not allocated to each fund'. Number three, 'UACIM fund balance for the compilation report shows a year to date net excess of \$54,215.64. Upon consolidating all expenses that are associated with UACIM together with those included in the compilation report the result is a net deficit of \$34,976.52 for the year. In addition to this net deficit the UAC board of directors has required that both UAC and UACIM accumulate additional building reserves of which UACIM share is \$22,894. When this is combined with the net deficit, it results in a total deficit of \$57,870.52'. The following exhibits are attached, the majority of my time will be referring to exhibit one and two, exhibits three through six are also enclosed for your reference. If we could, I would like to turn to the first exhibit.

Herbert: There's a statement...are you going to talk about the last paragraph?

Westenskow: 'We were not engaged', this leads to what I was talking about before, what a real audit, the term audit means regarding formal financial statements, 'We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you'. Exhibit one. This is a schedule that is consolidating from the beginning point to the ending point. If I might, I would like to explain what each of the columns mean. The first column is account number these are references, these are the general ledger account numbers used by Utah Association of Counties as it relates

to the UACIM fund. The second column is a description of the revenue and expense accounts show in that fund. The third column is a recap of the compilation amounts that result in the current years compilation fund report showing an excess of revenues over expenditures totaling \$54,215.64. The next column are accrual adjustments that are made at year-end that reverse out the prior year accounts payable and record the current years accounts payable. The next column is totaling those two columns together. The next column is taking McLaren's out of the special project fund and adding it to the UACIM information. The next column is an adjusted balance with those in there being consolidated. The next column titled indirect or other costs, these are items that have not been allocated specifically to either UACIM's fund in the compilation reports that you receive monthly or in McLaren's. The final column is consolidating all those number together. You will not that there are a lot of footnotes off to the right hand side of either the beginning balances or adjustments to follow, so I'm going to ask you to keep one finger on this page and then turn, beginning with exhibit two, these are the footnotes that are out to the side of the numbers in the first column that have numbers. They are an explanation of where these numbers came from or the philosophy followed in allocating certain expenses to UACIM's fund in that original compilation report. I'm just going to go through and read those in exhibit two as you refer back and forth to the numbered schedule. Item (a), 'Management fees paid by UACIM to UAC'. Letter (b), 'Interest on Public Treasurers Investment Fund that have been allocated to this fund'. (c) 'Monies transferred in from the property and equipment fund as a result of an automobile sale'. (d) 'Salaries of Shawn Guzman, Mark Brady and 70% of Sonya White's salary'. (e) 'Insurance Mutual loss control training'. (f) 'Management Fee for UAC to allow for additional expenses not detailed'. (g) 'Accounting and auditing fees attributable to the fund'. I have a slight correction here, upon interview, the information that was discussed was that this was a nine percent allocation, as we look at the total accounting cost, 11% was allocated, it was my belief that at one time there were nine funds that were being managed by UAC and at that time 1/9 would be allocated and carried forward even though, since that time, a couple of additional funds have been added and now, so instead of being nine percent, eleven percent should be there and I'll discuss the impact on that, well, the impact on that is a reduction in the expenses totaling about three hundred and nineteen dollars. (h) 'Automobile expenses incurred for the use and maintenance of two vehicles'. (i) 'UACIM's portion of the preliminary Management Assessment study that was initiated'. (j) 'direct meeting expenses for UACIM board meetings'. (k) '40% of monthly Internet services, computer services and direct portion of computer repairs'. (l) 'Staff expenses for UACIM's staff. (m) 'UACIM's portion of the interest payments on the building calculated at 28.5% of the total'. (n) UACIM's portion of the building landscaping, upkeep, repairs and maintenance these are calculated at 30% of the total'. (o) '40% of telephone services and long distance conference calls are directly allocated'. (p) '40% of postage and direct allocation of all federal express and overnight packages'. (q) '40% of all office supplies'. (r) '40% of copier maintenance agreements'. (s) 'Retirement benefits for Shawn Guzman, Mark Brady and 70% for Sonya White'. (t) 'FICA taxes for Shawn Guzman, Mark Brady and 70% for Sonya White'. (u) 'Medical insurance for Shawn Guzman, Mark Brady and 70% for Sonya White'. (v) '40% of package insurance policy that covers the building, disability and fiduciary insurance as well as workers compensation insurance'. (w) 'Direct allocation of dues and subscriptions for magazines, publications and associations'. (x) 'Direct allocation of printing services'. (y) 'Expenditures for new vehicles and equipment transferred to property and equipment fund'. (z) 'UACIM's portion of the principal payments on the building calculated at 28.5% of the total'. There was one other line item that had a seventy-dollar balance. We ran out of letters but it was an American Express charge allocated directly to UACIM. That very final line item. Again, that column totals or nets an excess of revenues over expenses of \$54,215.64. When that is added to the beginning cash balance that is shown on the monthly compilation report the beginning balance was approximately \$405,000 that increased that balance to the \$458,000 that is in question.

Herbert: One question, why is it 28% to UACIM's portion of the interest payments and then it's 40% on everything else?

Westenskow: Well, it is mainly because of the separation of McLaren's being handled separately in some cases.

Lemon: So if you add McLaren's and the Mutual would they be...

Herbert: I always that the Mutual had 40% interest here...

Westenskow: Maybe I ought to defer to Brent on these because these are the allocation that were recorded and allocated by staff of UAC.

Gardner: So they were actually a 30 and 20. UACIM was 30, McLarens was a 20. When UAC picked up two new employees and put them into a couple of the offices that increased UAC's share of building and that reduced 30 down 28.5 and 20 down to 18.5.

Olsen: Now, space in the building is rented. Is that space used by UAC or since we jointly own the building is a percentage of that space and rental income come back to the Mutual as well as UAC, is that divided?

Gardner: I'm not sure about your question of what's being rented. The only thing being rented is what UAC has, what UACIM has, MCAT has one office and McLarens has two offices and a workroom but they were to be combined with UACIM in 2001.

Olsen: I see, that pretty well answers my question.

Gardner: We've allocated it on an estimate of those...usage.

Westenskow: Going to the next, I refer to them as notes but they are explanatory sections to the references. The next section addresses adjusting the financial statements as a whole to an accrual basis and these were the transactions that the first part of the following year that were deemed to be part of accounts payable and therefore recorded on accounts payable in the previous years, reversed out on accounts payable. The combined net affect of reversing out the prior year accruals and recording the current year accruals is only \$655.48 so that reduced the net excess to \$53,560.16. About midway down the page McLarens portion of expenses not included in the UACIM fund, there is a whole separate column now back on our schedule of numbers. There are three numbers included in that column and they are referenced as follows, there is (ac) which is 'McLarens portion of interest payments on the building calculated at 18.5% of the total'. (ad) 'McLarens portion of the buildings landscaping, upkeep, repairs and maintenance calculated at 20% of the total'. (ae) 'McLarens portion of the principal payments on the building calculated at 18.5% of the total'. These total \$44,414.30 of additional expenses. When that is consolidated with the previous \$53,560.16 by the addition of McLarens alone it reduces the excess of revenues over expenses to be \$9,145.86. The indirect or other expenses have been calculated as follows, and again I'm going down line item by line item. The first one that had an adjustment is interest income it is labeled (ba) 'The interest from the Public Treasurers Investment Fund (PTIF) has been calculated based upon approximately \$458,000 in investments. Based upon UAC's representations and this analysis it appears that monies received from UACIM for management fees are expensed fully in the year that it is received. It has been assumed that the management fee has been received on the first day of each quarter and has been fully expensed by the end of the quarter'. Just as it appears it has happened looking at the year as a whole.

Olsen: Now, I don't understand what you are telling us there. In your analysis you run the management fee that we pay UAC as just an additional expense to UAC and we aren't getting credit in the total picture your painting? That is just an expense item?

Westenskow: The management fee you are paying to UAC?

Olsen: Yes. What I am talking about specifically in the way the accounting is broken out we have budget one of the items in our budget was management fee, \$5,000 or \$10,000 whatever it was.

Westenskow: Correct.

Olsen: How do you handle that in this accounting?

Westenskow: We will get to that shortly, Sir. That's the third item in this section. Again, based on this analysis looking at it for a year it appears that UAC has fully expended all of the fees paid to them from UACIM for their services and so in order to re-characterize under those observations, what should be the interest income calculated, correct interest income calculated for the UACIM fund. We are applying the same analogy on a quarter-by-quarter basis. UACIM pays UAC quarter, these management fees, we're assuming they were paid on the first day of the month and they were fully expended by the last day of the month. Therefore calculating an average cash balance to calculate the interest that would be allocable. This is also assuming that prior year have also been fully expended by the end of the year and therefore there is not a carry-over cash balance to apply interest to. We can come back and discuss that more towards the end after I do the presentation if somebody would like. Anyway, we calculate the quarterly

management fee is \$111,703.75 if it is fully expended by the end of the quarter, the average cash balance is \$55,851.88. The average interest rate paid by PTIF has been 2.552 percent for the year 2001, therefore, the interest on that average cash balance would calculate to \$1,425.34. Thus requiring an adjustment to the amount reported on the compilation report of \$18,584.89. The second item that has an adjustment titled (bb) 'Indirect salaries have been calculated for the following individuals based upon representations made to us through interviews with UAC personnel'. These are salaries that were not directly allocated to UACIM's fund in that first column. 'Brent Gardner, UACIM Administrator (UAC Executive Director)', general descriptions of his duties 'attend UACIM Board of Trustees Meetings, oversight and supervision of staff services provided to UACIM, property management, trouble shoot county problems, lobbying. Brent estimates that he spends 16.5% of his time in performing these activities for UACIM'. That 16.5% has been allocated to the following four categories and result in these numbers, salary \$19,798, payroll taxes \$1,110, related health insurance for Brent \$1,686, retirement (9.26%) \$1,833. Moving on to the next employee, 'Jean Evans, in an interview, Jean estimates that approximately 20% of her time is working with UACIM doing the following tasks, bi-monthly payroll, cafeteria plan, retirement, vacation and sick leave calculations and reconciliations, bookkeeping services and maintenance of related files, reconciliations and deposits, personnel services, accounts payable and check requests, telephone services'. Based on this representation, the expenses allocated to UACIM fund for salary is \$9,027, payroll taxes \$691, health insurance \$2,044 and retirement (9.26%) \$836. Next employee. If I mispronounce this excuse me, 'Lisa Kalantzis, Lisa is no longer with UAC so an interview was performed with Doug Perry who took over her duties. Doug estimated that the following time in planning, preparation and promoting the UAC/UACIM two annual meetings' for the 'month of July/December 10%, August/January 25%, September/February 35%, October/March 50%, November/April 50%. It has been estimated that UACIM accounts for approximately 20% of the annual meetings agenda, therefore, 20% of Lisa's time in preparing for these meetings is indirectly attributable to UACIM. Lisa earned \$3,953 per month during 2001 of which the following amounts are attributable to UACIM'. Using the percentages above, 'July/December \$158, August/January \$395, September/February \$553, October/March \$791, November/April \$791, totaling \$2,688' of 'salary' to be allocated to UACIM. Related 'payroll taxes \$206, health insurance \$219, retirement \$249. Pat Fizer performed receptionist duties and answered the phones for UAC and UACIM. It has been estimated that she spend approximately 10% of her time was spent performing duties for UACIM. Her, 'Salary' was allocated at \$1,786, payroll taxes \$137, retirement \$165. Debbie Goodwin performed receptionist duties and answering phones for UACIM. Debbie has estimated that she spends approximately on hour each day or approximately 9% of her time performing these duties'. That allocation for 'Salary \$804, payroll taxes \$62. Sonya White performed services for UAC, however information as to the extent and nature of service performed on behalf of UAC we not available. UAC would be more than willing to credit back UACIM for her services' provided to UAC.

Herbert: Isn't Sonya paid a percentage of salary comes from UAC.

Westenskow: Her salary has been allocated 70% to UACIM and 30% to MCAT so none of her salary currently has been allocated to UAC.

Herbert: So there should be, that's where we're at, so there should be some kind of credit back.

White: My understanding, I was at 10% UAC in 2001. 70% UACIM, 20% MCAT and 10% UAC but I wasn't interviewed and it may have come out in an interview.

Herbert: It seems like that ought to be notable. We ought to know what percentage of her salary is coming from where.

Lemon: I was thinking in our Board meeting last year, we talked about 90%/10% but that's...

Gardner: That began in 2002.

Herbert: So in 2001 you are thinking maybe the 10% was not allocated to UAC, Sonya?

White: I would have to go back at my desk and see how...

Herbert: That's a question we need to clarify. It appears we've agreed at least for the 2002 budget that 10% was being attributed UAC but this is 2001.

Gardner: 10% MCAT, 90% Insurance Mutual.

Herbert: That's what I'm saying but the question whether in 2001 is the 10% or any amount ever, technically allocated to UAC, yes or no.

Gardner: The answer is no but she spent some time so there needs to be an adjustment to recognize that.

Westenskow: 'Shawn Guzman performed services for UAC' again to the extent we don't know. UAC has acknowledged that there may be a credit back to UACIM for his services rendered that benefited UAC. So that is another number that has not been quantified in this analysis. This will follow-up on previous questions, item '(bc) management fee was set up to account for other indirect costs that may be incurred. Since the indirect costs in this report are being allocated this management fee is being reversed' out. Item '(bd) UAC has accounted for the building space being allocated at 50% UAC, 30% UACIM and 20% McLaren's'. Upon interviews, 'The correct percentages should be 53% UAC, 28.5% UACIM and 18.5% McLaren's. An adjustment in the amount of \$1,226.07 to properly reflect the corrected percentages'. Item '(be) Shared expenses have been allocated UACIM at 40% instead of being 37%, of total expense. This adjustment correctly allocates these expenses to 37%'. You will notice that (be) refers to a number of individual office related expenses. '(bf) UAC policy allows their staff to accumulate unused vacation and sick leave. Retiring employees and employees terminating for other reasons are paid at 100% of unused vacation and 50% of unused sick leave. UACIM's portion of accrued vacation and sick leave expense for the year ended December 31, 2001 is calculated by subtracting the December 2001 accrued balance per individual from the December 2001 accrued balance and multiplying it based upon the percentages of time spent working for UACIM. Negative numbers indicate that current year and prior year vacation amounts were used during 2001, this is offset by the same increase. UACIM portion of accrued vacation and sick leave are as follows: Brent Gardner (\$774.28), Shawn Guzman \$261.54, Sonya White \$763.84, Mark Brady \$417.31, total \$668.41. The above vacation and sick leave amounts may be subject to payroll taxes and retirement contribution when paid out. For the purpose of this report these have not been considered'. Item '(bg) UACIM's portion of management conference and annual convention expenses see exhibit four for more details'. This is another example of expenses that have been allocated to one of the other funds established by UAC for management purposes, which is the Conferences and Convention Fund. Item '(bh) Adjustment to reclassify check #11307 that was incorrectly coded to UACIM Board expense' so that was reversed out and that amount was \$3,708. 'Building reserve accounts (ca) The UAC board of directors has required that both UAC and UACIM accumulate additional building reserves to cover on years lease payments on the building. The accumulation of this reserve was to begin in the year 2000 and last for five years. UACIM's share of the reserve accumulation for 1001 was \$17,260, see exhibit five for calculation. (cb) UAC and UACIM has been accumulating reserves for building equipment repairs and replacement. UACIM contribution to this reserve for 2001 is \$5,634. This calculation is based upon estimated replacement cost and life of building equipment as estimated by the building contractor, see exhibit six for addition information' regarding that calculation. Chairman, when those adjustments are tallied, there is an adjustment of a net expense of \$44,122.38. That needs to be netted with the previous columns netted excess of \$9,145.86 which comes up to an adjusted net deficit of \$34,976.52 and when added to the building reserve requirements by the Board of \$22,894 even that comes to \$57,870.52 less that \$319 adjustment I noted regarding accounting fees which would reduce it down to \$57,551.52.

Herbert: Everybody go back to the first page and you can see where we came up with those numbers. \$34,976.52 is the first one, deficit, and then the next...\$57,870.52 less the three...

Gardner: There needs to be pointed out a further adjustment for the two salaries of Shawn and Sonya.

Herbert: Right, so whatever can be calculated for UAC's benefit we should be given credit there needs to be some adjustment there. What else Dale do you need to tell us right now? Time is no longer our friend.

Westenskow: That is essentially my presentation. Again, it is our belief as part of our audit procedures as we analyzed the agreement between the two entities that this was a management fee rather than handled as some kind of agency fund and apparently, I'm assuming, Larson and Company has determined the same thing as their audit report shows it as an administrative fee expense rather than (tape ended). There are additional exhibits, they include the general ledger detail of UACIM's fund that is maintained on a monthly basis also exerts out of the special projects fund which is MCAT's and then the calculations of the other items that we refer to. McLaren's, excuse me.

Herbert: I think we understand the just of what you've done and appreciate the work you've done, Dale. Let's open up with questions before we go on to Larson and Company, Tex, you had a question.

Olsen: Just a couple of questions that I have. You've come up with the conclusion that what we have is an administrative contract and where we have never detailed the specific items that you've talked about that by happen sense we've kind of fallen into a bigger because for example we've budgeted \$25,000 for equipment and only spent \$5,000 and that additional \$20,000 has gone to UAC. So what I'm saying is that I don't see how we can interpret that as a contract but these very things you are talking about are things that should be contractual between UAC and a couple of my concerns, now, under your accounting, who owns the cars and the reserve for cars when that account is set-up and paid into UAC, whose money is that?

Westenskow: The accounting records we have, indicate that those are assets reported in an equipment fund which is part of Utah Association of Counties overall entity and is reported as an asset on Utah Association of Counties books.

Olsen: So while we pay in the reserve and bought the automobiles, that asset belongs to UAC under your view?

Westenskow: I'm saying it is on the books of UAC as an asset, yes.

Olsen: Now the same thing we have been billed in advance for potential repairs for the building, this \$5,634 that you have under (cb). Now once that is paid in, whose asset is that once it is charged to the Mutual does it became an asset of UAC under your accounting?

Westenskow: Under the current accounting it has been reflected that way, yes.

Olsen: And the same thing where we prepay a year's payments on the account, once that's paid in whose asset is that.

Westenskow: Under the current accounting that cash balance that is included as part of UAC's cash balance.

Lemon: But you have given us interest credit for that, have you not, until that's been used, isn't that how you came up with the \$111,000 figure?

Westenskow: That was not addressing this reserve. The \$111,000...

Herbert: You're addressing a quarter payment.

Westenskow: Right.

Herbert: That money is expended...

Westenskow: The synopsis as a management fee.

Lemon: We're paying the entire \$440,000 in it, some point in time, and you're charging the Mutual that \$111,000 on a quarterly basis and giving us interest, I mean, you calculated the interest based on that, did you not?

Westenskow: Number one, the 2001 audit is not yet complete. Number two, the interest calculation previously by fund, which is not a level that we render an opinion at, has been calculated on the \$458,000 balance as accumulated because certain costs have been reported in other funds rather than the UACIM fund.

Herbert: Other questions from the Board Members? Dale, we thank you. You might want to stay in case we have some other questions as we go through the process. We turn some time over now to Larson and Company. Sicilia?

Douglas: Geri.

Herbert: Geri, Geri, Sicilia.

Douglas: Basically, I'd like to give some background as to how this all came about. We were preparing the audit for the Insurance Mutual and in the past the audits for the Insurance Mutual has been on a statutory basis, which is the basis that is required for the Insurance Department for the State of Utah. As you're aware, the Legislator passed in February that the Insurance Company [Mutual] is no longer regulated by the Insurance Department. You will now report to the State and it will be for the State Auditor's Office. Therefore, it changes our statutory report to a GAP report. On a statutory basis we are not allowed to record furniture and equipment, autos, items like that as assets so I believe, back in the beginning, it was known that those would not be recorded as assets on the Insurance Mutual so they would be picked up as assets, possibly, on the Association and so I think that is how the agreement read from the beginning, I'm not sure. We do an monthly compilation and questions started coming up as of July 1 we will now be on a GAP basis, rather than a statutory, and so the questions came up, who owns the equipment, who owns the building, who owns autos and this is how we got to where we are today. Another item, we were approved by this Board to look at transactions for the UAC Insurance Transaction Fund from 1992 through 2001. After we left this meeting, we realized we needed to get approval from the UAC Board in order for us to even look at those transactions so we mentioned that to Commissioner Herbert and he went through that process. It wasn't until August 29 that we actually had approval to start the work from UAC and so as been noted we haven't had very many days to pull our information together. On September 3 we spoke with Robison Hill and they said that they would have their report, that we just went through, ready on September 9, which was on a Monday, and we did get the report. It was at that point we were notified that it would only be for the year 2001. So the report that has just been gone through is just for 2001 although we have tried, we started with that as our basis and then we have tried, to go back to 1992 as much as we had time to do. So the information that has been passed to you basically starts, we went through 2001 in great detail, followed the Robison Hill report and then, like I said, tried to show you what we felt were the balances continuing on from there. Robb has done most of the work and so I'm going to turn the time over to him, I may interject once in awhile to clarify information.

Enger: It's nice to be here today, thank you. You'll notice that this is a draft copy, it's not a report, it is a work in process, you will find typos and errors, as we were up here last night till 5:00 and here this morning at 6:00 trying to put this all together as much as we could. You'll notice that we have on the first section, left hand side of the first page an accumulated surplus and this is just a summary of the numbers that I have, we at Larson and Company, have looked at. Adjustments have been made as you'll see in the right hand column the surplus as of 2000 has adjustments in 1999 there is an interest adjustment, McLaren's Debt Service Principal has been added as well as interest and office maintenance at 20% of the totals for that year. 2001, just a little rounding and then we have a legal adjustment, some interest adjustments and again McLaren's debt service principal, interest and office maintenance. The Auto Reserve was added in 2000, \$13,300, based on information from UAC and the Building Reserve was recalculated and added to 2000 as well as Building Repairs and Replacement Reserve. This is just a summary of items I have found and it's not all-inclusive. There was no allocation of salaries prior to 2001 but the management fee was used in all years prior to 2001, that's kind of an agreement with what was initially the agreement between UAC and the Insurance Mutual all bring your attention to the agreement for general administrative services, it's the old copy, the old agreement but the old and the new is the same, 'reimbursement for services...

Douglas: It's about halfway through the document, we have a copy of the agreement that looks like this.

Herbert: Agreement for General Administrative Services?

Enger: Yes, that's the old agreement so that goes back from 1992 to 2000 and down on paragraph...

Herbert: It's the original agreement.

Enger: Yes Sir, it's the original agreement. Paragraph three about half way down it talks about 'all expense associated with UAC's staff's administration of the pool as determined annual and approved by the UAC Board of Directors and the UACIM Board of Directors.' It is our opinion that the \$5,000 management fee that is in the budget every year is what that is suppose to be the compensation for those fees. The 'journal entry (be) which is in the Robison Hill report in 2001 was done to correct amounts and percentages from 40% to 37% for shared expenses. However, in prior years, (at least from 1999) the incorrect percentage was used and we were unable to find where it was corrected'. In looking at the compilation, and we have not had a chance to communicate all of our questions with Robison Hill, 'In 2000, the beginning surplus balance per Robison Hill (\$311,405) does not match their ending balance for 1999 (\$328,148)' a difference of about \$16,000 we were unable to determine what that was, again, I haven't had

time to contact Robison Hill about that. 'According to the sublease/purchase agreement' I don't have a copy of that attached with your documents but it is on 'page 11 and 12' and I did bring that up with me. It talks about the payment of sublease base rentals, section 6.2 and payment of sublease additional rentals 6.3. It does talk about how the building should be allocated, the percentage of the rent, again, I don't have that in your attachments, I apologize for that, but it does talk about how to calculate that the rent to be charged to UACIM, MCAT, McLaren's and UAC and I'd like to bring your attention to about just a little bit after where you were with the agreement. I've got two of these that look like this. One is pre-2000 and one is 2000 and later it's the building allocation and this was confirmed with conversations with UAC and UAC Insurance Mutual. What I was unable to determine in reviewing the documentation was if MCAT and McLaren's Toplis need to be included in sharing the shared space but with conversations with Brent from UAC it is his impression that any shared space be allocated to all four parties, pro-rata. You will see if McLaren's and MCAT are included in sharing common area space, pre 2000 correct allocations should have been, UAC 55%, Insurance at 45% which includes Insurance at 23.52 and McLaren's Toplis at 21.46. This is determined by looking at the plans of the building and taking square footage from each office. Post 92 the percentages changed somewhat with the addition of, Post 2000, the allocation changed with the addition of two employee for UAC, they go up to 61% for UAC and MCAT shared and the Insurance and Toplis portion goes down to 38.25%.

Herbert: So the question you're raising is whether the allocations are correct?

Enger: That is correct. In going through the 2001 detail, which is also attached, again, this is work in process, you'll find typos. We determined for the most part the allocations are made according to what was originally believed, the 40% and then the adjustment was made to bring it down to 30%, however we feel a lot of the expenses could be made on a direct basis. Postage, copies, telephone, data processing, but the majority of what I think your questions are on is the salaries that are allocated in 2001, should they be allocated in 2000 and I did also make interest adjustments. We took the view, we took all the excess revenue over expenses and gave an interest rate and allocated interest to all the years, 1992 through 2000, that is where we are at this point.

Herbert: Robb, let me ask you. Recognizing this is not...and it's going to be hard to make this absolute accurate, just because there are parts that we may think were important we may now...2001... I guess I would like to know your opinion on the Robison Hill 2001, recognizing that's just a snapshot in time and what happened in that year is not necessarily reflective of what happened in other years. What surprised me is that Robison Hill, it appears, if you take the audit at face value, that the Insurance Mutual owes UAC.

Enger: And that is my impression as well. I think that that based on my calculations, I have a couple of different journal entries but we come up to approximately the same number, materially the same number. In 1999, you've also got a deficit of \$69,000, 2001 there is barely a surplus and this all happened with the addition, with the building. I'm on the front page just looking at the summary. 1998 there was a deficit, 1999 a deficit of \$70,000, 2000 there was a little bit of a surplus so I think when the new building was built there was a lot of expenses that should have been allocated to McLaren's and counted against the UACIM Transaction Fund.

Herbert: Unless we go back and do 1992 to 2000 we don't know for sure what is going to happen as far as reconciliation assuming you could do it fairly accurately. My only concern was, as we started this out, the concern is UAC owes us money and they've got a bunch of money that is a significant amount that ought to be given to us to do with what we want. Now it appears that maybe just the reverse be happening, that the Insurance Mutual, at least for the year 2001, owes UAC money. Things that they've not expensed out correctly and in fact should give and take on the issue, which I need to talk about later on as far as what are the requirements, what is the relationship between UAC and the Insurance Mutual. I mean, if we have Robison Hill and Larson and Company work together, and I'm prepared to do this, go back to 1999, 1998 all the way back. I guess I am curious about what would happen after all was said and done. Would it be just a wash, who would owe who money.

Lemon: You are saying that you do agree, you generally, you materially, that you agree with Robison Hill for 2001?

Douglas: Not necessarily. We have some big issues that need to be resolved. If you look at the salary agreement, the agreement that we showed you, this one, it says in there that a total annual some, which consists of all expenses associated with UAC staff administration. To me that was a budget amount that was approved annually and that's what it says, it will be determined and approved annually, that was that \$5,000 that was approved in the budget every month.

Herbert: You think that is all that should be allocated for salaries?

Douglas: It's sounding from this agreement that is what...

Lemon: What we really ought to be talking about is the current agreement, should we not? I mean, that agreement was in place up through 1999 and then did we not get a new agreement?

Douglas: It says the same thing in the new agreement.

Lemon: For reimbursement services?

Douglas: Yes and so that is a big issue. That is a big number. And then also, the way that the building square footage is allocated, supplies, postage, telephone, they were all allocated on those same percentages that I don't believe are correct square footage percentages.

Herbert: Yeah, the percentages, clearly we've got some dispute. I don't know how far off we are.

Douglas: Right, and I don't know what the dollar amounts are on those either.

Herbert: I guess I don't think we're too far off and that certainly is very notable and... I am a little concerned about what you are saying about the salaries though. If it's only \$5000 of the administrative budget being allocated for salaries...

Douglas: I'm saying that I don't know but that is something the Board needs to decide. We did not interview any of the staff or go through all of that because we didn't want to repeat what they had done.

Lemon: You're saying that you thought, I mean, this year, or 2001, there was \$15,000 figure in there and you're saying that you think that's what it should be based on the agreement?

Douglas: Well, based on this, yeah, it says, determined annually and approved by the UAC Board and the UACIM Board.

Herbert: Okay, we can have that discussion again, later on, to be certain what we think that should be...

Douglas: So, 2001 doesn't include, was it \$15,000 or \$5,000, I'm not sure. It includes actual employee expenses.

Lemon: \$15,000.

Herbert: It does sound like, as Robb indicated though, that conceptually it looks like the Insurance Mutual owes UAC money as opposed to the reverse.

Douglas: I think it will be pretty close if we reallocate.

Lemon: If you took the \$34,103 you made the adjustment for Shawn's time and Sonya's time, you may be fairly close to that \$15,000 would you not, I'm just guessing, you could be \$20,000, \$25,000 and you're going to be within \$5,000 or \$10,000, so that's why you are saying, 'materially, you kind of agree'.

Enger: I kind of agree with the fact that UAC, the Mutual, did have a deficit in 2001.

Herbert: Other questions from the Board Members?

Norman: Okay, that being the case then, if 2001 is a fairly accurate figure and you use those same criteria back to 1992, then you're thinking that \$457,000 has been spent, for UAC it's a wash?

Enger: The problem that, there's a problem in that in 1999 the building was purchased and that is where the majority of the offset.

Norman: And there would be a...a little variation.

Enger: Exactly.

Norman: All of those figures being correct, then, that \$457,000 would not be there?

Douglas: No, if you look at the first sheet...

Enger: The summary.

Douglas: The summary and go back starting in 92, that's where the majority of the balance came in.

Enger: From 92 through 97 is exactly where the majority of the fund balance came in.

Norman: So there wasn't enough categories then to use this up and it got deposited under the Mutual? I've got to get it down to my level.

Herbert: Building came on, there was a significant bump is what you're saying?

Enger: Yes, Sir.

Herbert: Any other questions from the Board?

Olsen: The other thing in the expense category, we've been expensed, but haven't been given credit, in a reserve for these reserved funds that I've been asking about and it appears that if there is to be a reserve this Board would have to decide there should be a reserve to meet their future obligations or contract with UAC to put up a reserve of some kind. But it is a legitimate expense item it is still an asset that should be in our bank account really.

Douglas: Where it has been deducted.

McConkie: Geri, you mentioned big issues and you mentioned salaries and square foot allocations of building and other issues...

Douglas: I was just going to say, one other item would be, we still need to determine who owns the cars, computers, artwork, all of those items. When I interviewed the Insurance staff, they felt that they had paid for them and that was their asset. When we interviewed Brent he felt that it was all an asset on the Association's book.

McConkie: Help to understand then the reconciliation on the GAP report, I think I wrote it down correctly, under the GAP report, did you not say that you cannot report those kind of things as assets for the Mutual?

Douglas: Under a statutory accounting which is no longer applied to the Mutual.

McConkie: Okay, so I just got it backwards. It did not, now it does.

Douglas: And now all of sudden we can record those and so that is why it became an issue. We could record it but we would have to non-admit it and take it off anyway.

Herbert: Well, we need to work with UAC and make a decision on reconciling that issue. Other questions from the Board. Again, we appreciate Robb and Geri, again I know that you've worked really hard to get ready for today. Again, we appreciate your work on behalf of the Insurance Mutual. So, again, what went on...

Douglas: We also need to know how to proceed from here.

Herbert: Hopefully we'll...

Norman: That's what we hoped you'd tell us.

Herbert: As part of this, again I think, as part of this, as we're trying to come up with some kind of reconciliation, understanding as far as where we go from here which I don't know if we have the time to decide. I have, as I mentioned to you earlier, I've tried to rack my brain, what have I forgotten, what have I not done appropriately, where did I slide, what didn't I look into in detail that we've had as fiduciaries as far as ownership. Things I think we've felt comfortable with, have done, until recently hasn't been an issue. I've been concerned about that and I know Brent's been a little concerned about. Brent, I've had him go back and go through the minutes and through our agreements, our contracts with UAC since its inception to see if we can understand how we evolved to where we're at today to understand how we got into this particular predicament. I don't want to call it a mess but we all think it is. But I know that we're all trying to get reconciliation to this to see how to proceed and where to go from here and I think having a little bit of understanding where we've...and how we got here probably helps... So Brent, what do you got?

Gardner: I apologize; I only made 15 because I didn't know how many people would show up so I know there is some here that maybe take...

Herbert: ...we haven't had a chance to see all you've got here I would like you to highlight what you've got, what you've found, and resolve some of the questions that are in many of our minds, but I'm going to expect that the Board will have an opportunity to take this, review it and dissect it and we'll come back again and discuss as appropriate as we feel a need to. Speaking of myself probably more than anybody else on the Board but I'm approaching this with an open mind and I may have some vices on different things that have been presented and...articulate those earlier on but I think you can't...express to have open minds, nice attitudes to determine what the facts of the matter are and again...get through this. Not maybe what it ought to be but we need to look at what has it been, what it currently is and maybe we'll decide it ought to be something different, which I expect we probably will but let's not get those confused, what it ought to be and not necessarily what it has been and so with that Brent.

Gardner: I put together a cover sheet or a letter, which goes through and tries to address some of the issues that the Board has been concerned about and then attached the documents for backup. But before I get into that I wanted to just indicate that the Board may not be aware that UAC administers 14 different programs and this varies from year to year, some years we have more than 14 and some years we have less. But we administer 14 different programs that bring in revenue other than county dues. Other than the annual, Sevier County pays so much and Davis County pays so much. We have 14 programs that bring in revenue and of course UACIM is one of those 14, a very large one, the biggest one out of the 14. The Board, the UAC Board of Directors prior to UACIM coming into existence has said to me in term of administering these programs, we don't want you to allocate all of the costs associated with those programs to those programs. For example, we have a convention meetings fund, it brings in revenues other than dues, it brings in registration fees and I've periodically gone to the Board of Directors and said, do you want us to allocate salaries directly to that fund because I spend time on conventions, Jean spends time on conventions, everybody spends time on conventions. They said no, that gets us in to a real detailed accounting problem and start trying to keep track of mine and Jean's and phone calls and all those sorts of things, so we'll leave those costs in the general fund, we won't allocate those out to those 14 funds. They've also said or established a policy saying we don't want to take those revenues and put them into our general fund and rely on those as ongoing revenues to the Association, we are going to rely on dues as the ongoing revenue to the Association. So those two policies that Board has established in term as how they wanted us to administer these programs, don't allocate all the costs, and don't use the revenue in your general fund. But when you do (tape ended)...we don't like the policy that UAC put in place, to me, to us, we didn't want them to not allocate all those costs, we wanted them to go back and allocate all the costs from 1992 and we wanted them to take the excess revenue and use it in their general fund. That is not in proper management in my view, that's simply us following the direction of the Utah Association of Counties Board of Directors, we don't set policy we follow the policy. And so that's what's happened. We haven't taken that money in and used it and we haven't allocated all the costs. Those two policies were carried forward into the 1992 agreement between UAC and UACIM obviously UAC says to UACIM if you want us to administer it, here is the policies under which we're administering these outside programs that bring in outside revenue. That view was carried forward into the contract. Now it changed in 2000, obviously. This Board went to UAC Board and said we don't like the policy, we want you to allocate the costs and we want you to refund the money and UAC Board said fine, we'll change that policy in 2000 to reflect what you're asking us to do and that was the change that occurred in the 2000 agreement. So quickly, with that

background, run through the documents that are attached here. If you look past the letter, the first one is the Amended Bylaws of the Utah Association of Counties Insurance Mutual. If you go to page seven of the Bylaws of the Mutual, go past the letter and go to page seven, it will be the Bylaws page and I've highlighted, not the first page of the Bylaws but go to page seven. You'll see a highlighted portion which requires the Utah Association of Counties Insurance Mutual Board to 'Contract with Utah Association of Counties for administrative and management services, including a reasonable fee approved by the Board and Utah Association of Counties to cover the cost of services so provided'. They've called it a contract. If you go a little further back and you'll get to the next sheet you get to an Amended Interlocal Cooperation Agreement and on page two of that, Interlocal Cooperation Agreement, page two.

Herbert: Everybody got that?

Gardner: Section four of the Interlocal Cooperation Agreement says, there's a section on 'Administration of Utah Association of Counties Insurance Mutual. The parties', meaning the UACIM, I believe, and the counties, who the Interlocal Agreement is with, 'hereby agree that Utah Association of Counties Insurance Mutual shall contract with Utah Association of Counties for administrative and management services, including a reasonable fee...'. So again they've called it, in 1992, when these two documents were prepared, they called it a contract. And I believe they chose the word contract because they meant it to be a contract. They didn't choose any different wording there. The next handout is simply the '92 agreement, if you keep going back you'll come to the end of the Interlocal Agreement, you'll come to '92 agreement it says, 'Agreement for General Administrative Services' I've highlighted a section, paragraph three there you can see that and if you flip over to the second page, it says, seven, 'This Agreement contains all agreements, understandings and arrangement between the parties and no other exist'. So, again, it is my interpretation of that that there is no outside agreement to refund...

Herbert: Did you skip over item three?

Gardner: Yeah, I did, I didn't refer to anything there I just highlighted it for you because that is the section that...referred to talk about 'UACIM shall pay UAC for all services rendered...a total sum'.

Herbert: The only reason I, it says here, '...all expenses associated with UAC staff's...' There seems to be some question about whether the salaries and how they should be allocated out of the fee, so UAC's administration...

Gardner: I agree that is an issue, Larson and Company raised that, that's clearly an issue for the Board to determine if they are going to allow all salaries to be included.

Lemon: You know, something else that is important in that is the fact that it does say, 'annually...approved' by both Boards.

Gardner: If you're going to, seems to me if you're going to freeze the salary amount, say you can't go back and freeze the salary and then how can you go back and require a refund of anything that was left over in any of the other line items. But anyway, the next page after the '92 agreement is the 2000 agreement [my copy does not have this attached], it specifically says, you can see the highlighted portion, 'Commencing with the 2000 annual fee, UAC will refund to UACIM any surplus amount over \$7500'. Now my question is, if we had a requirement in the '92 agreement to refund then why did we have to go back and specifically amend the agreement to add that language? If everyone understood, meaning the Board of Directors of the Mutual from '92 on that there was a requirement to refund then why did we go back and amend it? I think we amended it because you had a contract and that's what the Bylaws and the Interlocal Agreement call it and that's the way I understand and remember it in the direction given to me to administer it. The next page after the 2000 amended agreement are the minutes of the Mutual for October 24, 1996, page three at the bottom and highlighted and says '1997 Administrative Budget'.

Herbert: You said there was a date?

Gardner: It doesn't show on it but I think it was the minutes from October 24.

Lemon: You can see there is a motion made to close the meeting down there for October 24, 1996.

Gardner: But I just wanted to point out, Gary, that it says, 'Brent Gardner reviewed the line item breakdown and comparison...' which to me is an accounting of each line item, 'of the 1997 and 1996 Administrative Budgets as requested by the Board'. Even though I don't believe there was a requirement to do it, they requested it and I did it and I did this for...at that point in time they had 'An ending balance of \$76,388...for the year ending 1995', because we had budgeted for 'a full-time' administrator [the minutes say director], assistant administrator to use the correct term, Brett Rich, and he didn't get hired until about October, so there was nine, ten months of salary that wasn't expended and that's what they're asking about. And I disclosed to the Board, Tex, based on your comment earlier today, that 'legally any ending balance would be the property of UAC, but...' I felt like the '...Board should feel free to meet with...UAC...' and 'discuss the status of...' the '...excess funds. The Board...' in '96 '...agreed to wait'.

Olsen: Was I there?

Gardner: I don't think you were there.

Norman: No you weren't there, Tex.

Gardner: ...it had been disclosed and I did disclose to them legally that I believe the money was UAC's and if they wanted to go ask for it back or change it they certainly had the opportunity to do that, they didn't finally do that. Now, again, the reason why I don't think they did is because I think they understood that we had a contract from the inception and they agreed with that, that's why we didn't go ask. The next set of minutes...

Lemon: So based on that there was a an excess of \$76,000 and they said they agreed to wait until the end of '96 to see whether they wanted to do anything with that?

Gardner: Right. The never requested a meeting.

Norman: Everybody forgot it by then.

Gardner: Either they forgot about it or they understood what was happening to it and they agreed to that. The next set of minutes that I was going to comment on is just to again indicates that there was a 'bid' which I think relates to a contract not to any kind of any line item detail that replaced the bid or you accepted the bid. In 1998, if you go past that other set of minutes you get to a management review conducted by Warren McVeigh 1998 hired by the Mutual Board and they were specifically, under item five, to look at the operational efficiencies and procedures of the Mutual. If you go to page 36, it's kind of hard to read at the top, you can see 35 so 36 in the next page, right in the top corner there is the number. They specifically reviewed in '98 the 'Administrative Services Contract' for 1992, the quote from it there and they only make one recommendation to 'Update the Agreement...between UACIM and UAC. It currently refers to a Pool Administrator when there is no such title...' and 'The Agreement should describe the services...provided[es]'. If you put the page over you can see that they look at the Interlocal Cooperation Agreement, they look at the Bylaws both sets, both current sets and the ones that were proposed. They had titled it in 1998 'Administrative Budget'. The next page over from that, I've highlighted the fact that they had a copy of the 1992 Agreement. The only point I guess I'm making is, if they reviewed it and found no violation of the 1992 Agreement, if they reviewed it and found violations in the '92 Agreement, such as we weren't refunding the money, or weren't counting the money, it seems to me they would have identified that in this report and said so. But they didn't bring any of those issues forward. My belief is because they understood that there was no requirement to do that. They understood it as a contract, an annual fee. The next set of minutes...membership mutual meeting, that's all of the members, November 17, 1999. This is the Audit Committee Report, Jerry Hess is the Chairman, you can see the highlighted portion, 'The Committee also reviewed the administrative budget...' 1999, I assume, or '98, must of been '98 budget, '...to make sure that the Mutual was not paying a disproportionate share of the UAC budget. To the satisfaction of the committee and the Board of Trustees, the relationship between UACIM and UAC is working...well'.

Lemon: Who is the Committee?

Gardner: I didn't look that up, I don't know, all I know is Jerry is the Chairman.

Lemon: So this is the Audit Committee?

Gardner: This is the Audit Committee.

Lemon: The Audit Committee, okay, the Audit Committee reported this to the membership.

McConkie: It was you guys, don't you remember?

Lemon: I will never be elected to an Audit Committee again.

Gardner: I believe, again, that the Audit Committee here did their job, they performed their function, I think they reviewed it, they reported there were no issues, no one in the room, the whole membership was there, disputed the findings and I think what you've got is now an independent third-party, when Warren McVeigh reviewed the budget, you had the Audit Committee of the Mutual reviewing the budget, no one telling us that we have administered this program in violation of the agreement. And then the final sheet on here, couple of sheets, minutes from the October 26, 2000, this is again where there's some money, excess revenues, when Brett Rich left and we had a two month gap, two and a half months gap between the time he left and the time we moved Shawn up and we actually didn't hire the replacement person, Mark Brady, until October, Brett Rich left. 'Ty Lewis said that the Association should be willing to refund...' the money '...the Mutual did not spend...' because of the salaries. I again say, I would be '...willing to take that request to the...Board' because it's UAC's money, this is the motion we were talking about earlier, Dan McConkie made this amendment to refund the money should '...be retroactive to the inception of the Mutual upon approval of the...Board...'. That's what triggered; this motion is what triggered the negotiation over the amendments to the 2000 agreement. In that negotiation of course UAC said we can't go back to '92 we don't have all the cost records accounted for we had a contract we didn't need to but we'll start in 2000 and go forward, which is what both of these Boards agreed to, this Board and the UAC Board eventually agreed to and the final page is just a list of UAC officers that served on the UACIM Board over the years. You can see that Tom Hatch, Dennis Ewing, Monte Munns, Dan McConkie, Gary Herbert, almost every year there has been a UAC officer on this Board and every officer that has been on this Board has received a monthly accounting of all of UAC's records, including the famous Insurance Mutual Transaction Fund so while your Board Members have had that knowledge every month, if they had been UAC officers so you get, my only point here is that I don't think there's been any effort to withhold information from these Board's. In fact, I think I have disclosed information to the Board when its been requested and I believe it was a contract, that's the way it was understood me and the Board...otherwise they wouldn't have requested a change in 2000. So that's what I have for you, Gary.

Herbert: Are there any questions for Brent? Again...we might want to peruse it in some detail, questions?

Norman: I do have a question. If it's a contract, why was the money put in an accounting separate from the UAC accounting? Why did it go into the Insurance Mutual account so that it became identifiable at this time?

Gardner: The reason I just gave to you, Royal, because the UAC Board has a policy that says, we don't want to take that money into our general fund and expend it as ongoing revenue. Because one year we might be up and the next year we might be down and our dues would be fluctuating all over the place. We want you to set it up separately, account for it separately, and then if we want to use the money then we take it out of there and put it in some function or buy some project or buy some item as it comes up on case by case basis.

Olsen: The comment that I would have is this, Brent characterizes the agreement of '92 as a contract and what it really says is that annual we will review in contract for services and...expenses. And then what has happened is we've adopted a budget, and I've taken this example through the...to illustrate how it worked. Suppose we set up \$50,000 to upgrade equipment. We're told during the year that we should save our \$50,000 because the computer equipment was going down and we can buy that whole ball of wax for \$10,000 we'll wait till after the first of the year. So to save money we wait till after the first of the year and we buy the equipment for \$10,000 so theoretically we as an operating Board have saved \$40,000, practically we've spent the \$50,000 because that goes to UAC, it was in our budget unexpended funds and we've paid it out of next year's budget. So, the increases are based on windfalls or unexpended amounts in budget items, other than the \$5,000 or the \$10,000 or the \$15,000 that we have agreed to pay for the administrative services. Now, since that's the way we were operating we have to say then that whenever we adopted a budget that all of the Directors sitting at the table agreed that if you as our fiscal officer can figure out a way to postpone expenses, and I'm just using an analogy just to make a point, or you looked around, save expenses, using this example, but if that money was not spent during the year then your employer got it. You see, it gets this fiduciary

responsibility right up front and so if that is the way it was, you were the guy that helped us with our budget, you were the guy that spent the money and knew how it was spent, coming back next year, you should have told us each year how last year, and I don't know whether you would use the term 'forfeit', but if we would have just changed our ways in our budget and plan, that money would not have gone to UAC. If we would have just changed and said in our budget process, and this should have been brought to our attention because we just didn't know about it, that's just all there was. But in our budgeting process, you should have told us, now under your contract with UAC this is the way it is going to work. So you think you're going to do some training or if there's any doubt about it, you better not get it into your budget, you better amend your budget during the year, when you've got a contractual responsibility and the idea of compensation by forfeiture just doesn't accomplish what we all need because we don't know what the services are that are being, we're being advised of now. We just don't know what...is fair and we should have been talking about those things and we should have been talking about them each year. I just can't accept the idea that our budget was a contract.

Lemon: Let me ask you a question because it sounds like that's what happened in '96, is that not what the, I mean, you look at these minutes, Brent Gardner reviewed the line item breakdown in comparison to '97 '96, he told the Board, whoever the Board was at that time that there was a remaining balance and he was doing what you said ought to happen every year. He did that in that year.

Olsen: The Board did not at any time understand how we were operating and your problem is when you have a fiduciary who is on both sides of the contract, the...goes against the fiduciary.

Herbert: Again, Tex, sounds like what you are arguing for is change and I guess the question is...

Olsen: That's right.

Herbert: ...that may be how it ought to have been, that maybe how it should have happened but it didn't. My question is, did it have to happen that way. I don't know that there's, other than the related but I don't think there's been, maybe nobody even thought about it, we haven't asked the questions, Brent didn't think about bringing it to us and saying manage your money better. But it appeared, at least, that there has been a contract and maybe you are identifying what is a significant flaw in the contract that ought to be changed. Again, it appears to me that's the way it was.

Olsen: I don't think we can approach it...there was a contract. Because every year when Brent has discussed this with us. Now last year in this category you spent this much money, this year are you contemplating spending any more...

Herbert: How would you expect him to come and say, here's the administrative budget, this is what we're actually going to charge and here's what he's kind of lined out that's going to be the expenses to justify the amount of money that he put in there?

Olsen: Our problem was that it wasn't disclosed, that our budget was a contract and anything left in our budget would automatically go to UAC.

Herbert: How can it not be a contract if it states that it is a contract in all the documents?

Lemon: Right here he says, 'legally any ending balance would be the property of UAC but Brent feels that the UACIM Board should feel free to meet with the UAC Board to discuss the status of any excess funds'. So I mean, again I'm just trying to read the minutes and interpret them, but he is saying to us, 'legally' this is UAC's but if you want to, 'Brent feels...' UAC Board should feel free to meet with the or the Mutual 'Board should feel free to meet with the UAC Board to discuss any excess funds'. So...he is advising us, he is telling us, he is disclosing that to us is he not?

Herbert: I think Tex, just like we said with Shawn, whether it's right or wrong, Shawn believes that he is the legal council to the Insurance Mutual. It seems like to me, based on...Brent believes there's a contract and he's disclosed information as per, whether it should have been differently or not is another issue.

Olsen: I don't question that, but if Brent believes there is a contract then what I'm saying is, there just isn't a contract.

(?) Roundy: How can you say that when it's written in so many places.

Olsen: Well, a good lawyer...

Douglas: I...obligation to bring this up, I have a copy of the October 30, 1997 Insurance Mutual Board Meeting and it says in there, 'The Board questioned whether surplus in the UACIM administrative account could be shifted to the next year. Brent explained there is that ability because any surplus is kept in a separate account'.

Herbert: Could you get copies of that for us.

Lemon: October 30, so it must have been a week later than this.

Herbert: LeRay, I know you've had your hand up, did you want to make...

Jackson: Just one question, Brent, give me an example of two of the 14 separate revenue, sources of revenue, is MCAT one of them?

Gardner: MCAT is one of them, UACIM, MCAT, um, we have, um, revenues that come in, conventions are one that's outside revenue, we get some money out of cash flow borrowing program...Zions Bank, unemployment fund or program that we work with some counties that we handle unemployment claims for them so contracted to do that, we have, um, I wrote them down, we have contract with Office Depot for counties that want to purchase on a...basis through them, we also have a contract through NACo for the Nationwide Retirement service...we get a little revenue off all those.

Jackson: I wasn't aware you had any source of revenue other than dues.

Herbert: Let's get back...if you want to decide...Dave Wilson, you have a question?

Wilson: Reliance on the contract language and the term contract used, you can have contracts where reimbursements are required as Shawn has interpreted some of the others have and it's Brent's interpretation is a Class D Contract. If it's a Class D Contract then what are the \$5,000 or \$15,000. Here's the...of interpreting what it should have been, what the Board intended was they pay so much for an administrative fee and a budget was placed out there, this Board approved that budget and as Tex has said there should be an accounting year by year. You can beat it to death but if Brent has a good faith belief in what he says...you find that out or he'll...and the fiduciary...the report process and I don't think anybody wants to go through that and I think, my thinking as a member of the Litigation Management Board is...but I think you need to clarify this thing before we move forward.

Herbert: Very good, LaVar.

Cox: Gary I think that we ought to take a look at the past and the intent of the '92 agreement and how the Mutual came into being and in the year 2000 they recognized some discrepancies and decided to correct them and we may be recognizing some discrepancies today that we might need to correct but you go back and bring a person in here that was as heavily involved, as I've seen anyway, that I've had a minor conversation with, let's bring Tom Hatch in. He understands that this was something they put together the best they could at the time they started the Mutual and that was as far as they could go until they got experience and they were dependent upon UAC to run the ship and get it going and move it and all these accounting procedures hadn't even been thought of when it was put together at that time. For my opinion is, I think we're talking 2000 and later.

Herbert: I think your talking, I think everybody acknowledges there's been an evolution, where we were when we did it in '92 and where we are today...and maybe additional modification can be made. Again, I agree with what Dave says, get people from disagreeing on a contract...but mainly, move ahead in the direction we want. There are two issues, one, the Board needs to talk about, we still have some additional work to do if you want to go back and reconcile the fund balance. We have 2001 which has somewhat been reconciled but are we willing to expend funds, time and energy till back in 1992 to find out what the over and under is, there is a legal argument that may say that there is no legal requirement for UAC to give us back any money whether they want or not, we can go and make a request, and I frankly think the Board of Directors will at least have some compassion to the argument that there's, you've got money that you didn't have to expend as an expense so there's some, you've used the term 'surplus, which may not be a

correct term to use, maybe fund balance... What direction do you want us to go to complete this...task of determining what the actual numbers really are because I think we are still a far cry from actually having that resolved, the question is do we need to resolve it? Do we care? I've got Steve here that wants to say something, Tex.

Baker: I heard get on with this so I propose this option and if you like it make it as a form of a motion, that I think we're going around and around. You have to look at the documents. The documents say UAC is the controlling organization and in effect... From '92 up to 1999 I don't believe the documents allow us to go back to that so from 2000 on it looks like any payments over \$7500 has to be paid, I think we turn to Brent and say, what are they Brent. Brent, from his comments in the document here are those he broached the point that we ought to request UAC to refund the unexpended salaries because of the delay of hiring Brett Rich and the delay in hiring Mark Brady, he was willing to entertain those requests and we ought to make those requests. And then I think we ought to just combine whatever contract year we're in go forward from here...

(?) Second (tape ended had to leave the room to get a new tape)

Baker: ...amount, you need to do Mark Brady that's for 2001 that would kick that year over to \$7500. In the future, the new agreement maybe ought to have some language that recognizes these extraordinary circumstances but I think that is what I've been hearing everybody say.

Norman: I'm struggling a little with that. That may end up being \$30,000 maybe less than that, that's not even...

McConkie: Is the amount as important as the accuracy and clarity?

Lemon: Well, Brent, do you have any idea what those amounts would be?

Gardner: ...go back in the minutes, \$76,388...

Norman: Is that an accurate figure?

Lemon: That whole 76 is for Brett?

Gardner: I don't know, I just wrote it down as surplus it was...

Lemon: See I thought it was the total at the end of that year. It is the total left over at the end of that year.

Herbert: Keep in mind as you're thinking about this motion. UAC Board of Directors, for those who were there, they are expecting us to come back with a recommendation to them to try and reconcile this issue. It could be a combination of a number of things...talk about restructuring, the Board Bylaws and what we do as a Board if we do anything. A recommendation could be that after we look at all the overages and underages here's an amount of money that we think we would be entitled to, whatever adjustments we think. We...the audit to come up with a number which...full step...let's move forward, let's come up with a number and let's call it good.

Olsen: We all have a keen interest in getting the problem solved. But I think the other thing...we have a fiduciary responsibility to the members. Any member can bring a class action and join the other members on an involuntary status which means that we...security because we're all in management positions in our counties and just felt that would never happen. One county can make that happen. Now, and if they bring the action against us as Directors and also join other Directors that proceeded us, take that \$288,000 because we could have corrected that problem just by our management of what we felt our budget was. It's going to be tough to explain and so I really think we've got to get the thing explained so that it's to everybody's satisfaction rather than picking a figure out of the air and saying it's cheaper to settle this thing with this figure and just do it.

Herbert: I don't know what the legalese is on it, Tex. In my mind, it's not black and white is what we're saying and I guess if the Board of UAC agrees and who knows what they're going to say as a Board, I think everybody here is trying to do the right thing. If people are going to sue us they're going to sue us.

Olsen: I'm not adverse to a settlement but I think that's a real problem for us as Directors because we didn't...and as we got into the thing as evidence of what happened from year to year and that going to be embarrassing to explain so maybe the process ought to be changed so we can argue the settlement. We ought to take it to 100 percent of the members before we go to any motion status.

Herbert: We have a membership meeting in November and that can certainly could be done there. That's probably...make a recommendation and take the issue to the general membership at that meeting and resolve it final at that time. I think that is a great suggestion, Tex.

Lemon: Can I ask a question? When was Brett Rich hired?

Gardner: In October of '95.

Lemon: And we didn't have an administrator, Brent was the administrator before they...

Herbert: I think we go back and search the minutes and the discussion that the Board had was it was taking more and more of Brent's time and he can't devote to it, it's come time for us to hire someone to do this.

Lemon: So, can I ask another question? In '92, '93, '94, '95, now Brett came in October of '95.

Gardner: Yes.

Lemon: So in those four year preceding that, was any of your salary charged to this?

Gardner: No.

Lemon: And how much of your time do you think you spent on this?

Gardner: Major.

Herbert: I think you're trying to get Brent and Tom Hatch because Utah County wasn't a participant, so we kind of...

Lemon: If you look at it, it is the first four years that where a majority of that surplus accrues, it actually accrues. I'm hearing what Tex says but certainly there has got to be some argument that...

Olsen: What we're talking about right now is a motion that does not take into account the detail you're considering. And what it does is we just cannot...

Lemon: I'm trying to reason in my mind how this came about.

Baker: Let me make it a formal motion because it is certainly not...

Herbert: We had a second to whatever motion, so we'll start over.

Baker: I move that we recognize UAC is the one that founded the Mutual...the agreement from 1992 to 1999 the contract does not require any payment... From 2000 the contract requires payment reimbursements for any expenditures over \$7500 or on the other hand vice versa and that would be where I would end that first motion with one addition you just turn to Brent and you say Brent give us those figures.

Herbert: You're talking about the...

Baker: 2000

Herbert: 2000 forward.

Baker: ...contract.

Herbert: There is a motion on the floor, what Steve said, so is there a second?

McConkie: I want to hear a vote so I'm going to second the motion.

Herbert: We can't have a discussion unless we get a second, are you second it or will it die for a lack of second?

McConkie: I did second.

Herbert: Okay, there's a second, so again, motion on the floor, duly seconded, it is now open for discussion by the Board. Sheriff.

Phillips: When Steve starts off with his statement, talking about the Mutual being a subsidiary of UAC, I don't think it ever was or is today, a subsidiary of UAC. I think it is a separate entity, a separate company.

Herbert: I think the phrase ought to be, I wondered about that too, rather than it be stated subsidiary, I think Steve's position is that there is no contractual obligation for UAC to refund any of...funds, if there be any. And no contractual obligation for us to give any money to UAC if they...contract... And as we've had discussion here and Kent's been the one that said it, the contract is silent on it, that seems to be how it was at least determined and I think that was Steve's...

Lemon: So you are saying that there's nothing in the contract that if UAC spends more than what we agreed to then we don't have to them back?

Herbert: We don't have to go back and pay them extra money because they did something on our behalf, vice versa.

Baker: ...according to the contract...1992 to 1999 contract is a fixed fee contract and then for the 2000 forward we recognize the language of reimbursing the appropriate funds for...

Olsen: In your motion then do you propose that our budget for those years was the fixed fee. Is that what you're saying, Steve?

Baker: I'm saying that in essence that was what the contract said that we would give money to UAC...

Olsen: ...gone through and apportioned salaries and other things to expense items, none of which have come before the Board...and those are the big items that make us lean one way or another, how much whose...

McConkie: Well, that is in retrospect...with that correction...can the Committee...on it?

Olsen: And that is exactly what we wanted but what I'm say is, that should be a Board consideration before we'd given out the assignment because where does he go with the assignment if we haven't made a determination of what we agree is...

Herbert: If you approved his motion, you've made a determination, there's no legal requirement for UAC to reimburse unexpended funds, and again...saying that there is no legal obligation and you did an audit, like has happened on 2001, you could come back and say, hey, Insurance Mutual you owe UAC money. We're saying that there are no monies, it wasn't a fee for service, is that the phrase you've got there?

Baker: Fixed-fee contract.

Herbert: Fixed-fee contract, period.

Norman: I guess the problem I have if you go to the year 2000, according to this audit, there was \$10,000 surplus in the year 2000 and so I wonder if you want to make a motion to eliminate the who discussion from the year 2000 back. If it's over \$10,000 it's not worth even trying to figure the books.

Herbert: Well, of course, we've identified as a Board the \$7500. You hit \$7501 and it becomes an important enough number. If you think hard and fast that it didn't matter just didn't know what else to chose, so we've identified \$7500 as the cutoff.

Cox: I think what Steve is saying here, to me anyway, is he's starting with the year 2000 and moving forward with it under the contract.

Norman: So the contract would include the year 2000. It already includes 2001, so you'd move it back to the year 2000.

Lemon: Does the new contract include 2000?

Cox: It was signed in April of 2001.

Gardner: Commencing with 2000, yeah.

Herbert: 2000 is when the change occurred so, '99 backward is under the old agreement and 2000 for the new agreement. Okay, we've had a question called for which means we want to cease debate. I don't want to cutoff when this is important but are there any other pertinent issues that need to be brought up to discuss this?

Cox: Now this motion is going to go to the general membership?

Herbert: What we'll take, the motion will be, as far as reconcile, we're doing this on our own here, just to say this group has decided we're not going to go back and ask UAC to refund money from '92 to '99, we're say, well, there's no legal obligation to, I don't know what else is going to come up here. We're reconciling it right, making a determination that it is a fixed fee for services contract, I'm making that determination. It will obviously as we go back to the UAC Board, this will have an impact on...

Cox: I agree it is an action of the Board, all I want to do is see if we can make sure that Tex's concerns of membership is addressed. It doesn't need to be in the motion but it needs to be, as he was saying, explained to the members.

Herbert: Maybe the addition would be, let's take the decision of the Board to the general membership and explain that and get their approval of our actions also.

Lemon: Tex, you said, when you look at this Audit Committee report in November of '99, the Audit Committee looked at this and it says, 'The Committee reviewed the administrative budget to make sure that the Mutual was not paying a disproportionate share of the Utah Association of Counties budget. To the satisfaction of the Committee and the Board the relationship between UAC and the Mutual is working very well'. A Committee has reviewed that, have they not? They have acknowledged and the Board has acknowledged this is working.

Olsen: Well, we've had an Audit Committee, I assume since '92, and I assume the Audit Committee has met and I assume the Audit Committee has done what our Audit Committee has done, we've audited those things that were available to us and we reported to the membership that the UAC as doing well, but we have at no time, at least in my time here, been able to audit UAC's figures. And so what I'm saying is that I think we are still in no mans land, if that gives you any comfort.

Lemon: The only thing I am trying to determine on how to vote on the motion is that, I look at this disclosure in October of '96 and it was disclosed, there was a disclosure that there was an excess amount but also, as I look at when these surpluses occurred, they really occurred in the four years before we had a assistant administrator or director whatever you call it. Maybe I'm just reading this into it but I'm reading in that the Board knew that there wasn't a director and Brent was doing the lion's share of the work, if you will, and that's when the surpluses occurred.

Olsen: If we have an agreement that says we'll pay an administrative fee of \$5,000, \$10,000, \$15,000, how does that reconcile with the fact that we also are saying we will forfeit to UAC any budget surpluses? So I just don't believe that give legitimacy to the idea that we've had a contract we're all off the hook if you don't recognize the contract...

Lemon: Even if there was, Brent was doing the lion's share of the work in the years the surpluses occurred? In my mind, that's what I'm trying to say is does it seem fair, in mind it seems fair to say, as I look down here and look at the surpluses that accrued they really accrued in the first four years and that's when we didn't have a director, is that not correct? And he was doing the lion's share of the work so if we, say we didn't agree with this motion, and we went back and had the auditors go back and do a reconciliation. Wouldn't they in essence come back to us and charge us for, I don't know what Brent would say was the percent of his time that he was working, but wouldn't they come back and say he spent 70% of his time in the first year getting this thing going, they would whittle away at that until there probably wouldn't be a surplus.

Olsen: Now what you are talking about are factual matters that ought to be taken into account but I will tell you, you get anyone who is dissatisfied with seeing \$300,000 on our books, you get a class action, you got enough to shoot at unless we go through and rationally decide this thing we all have problems and that's what I'm saying. But now as I understand Steve's motion, his motion is that starting in 2000 we did agree that our liability, or UAC's liability was limited to \$7000 swing one way or the other and what Steve is saying that while we're looking at the overall problem it's going to be well for us to settle those three years 2000, 2001, 2002, just on that basis if we can. So, to me, that's in an area that just sounds like reasonable judgment with the controversy but to settle from '92 up through '99 without approval of our membership or whatever basis we settle on, I think that we are being derelict, well, not only that, we have legal problems.

Herbert: We are beating this one to death. I guess it is a possibility to still declare that we have looked at it, and looked close enough to determine this is a fee for services contract then doesn't preclude us, as has been the recommendation from Brent, in going, if you still wanted to reconcile the balances and funds and see if there's some excess monies that maybe legally aren't ours but actively ought to be refunded to us, unless precludes us from going to the Board of Directors and saying no, it looks like you've got more money than you spent in the attempt to set up a deal where it's just the costs that what we've been paying, still it's a kind of handling with the Board of Directors and see if at least in some circumstances mentioned before, Brett Rich and Shawn came on, and see if they would give us some refund of money. Is there anything else on this motion, germane to this motion? That's the determination this Board is that it is a fee for services contract.

McConkie: I want to make this comment. I think that I favor voting yes on this particular motion because my belief is legitimate resolution to some concerns. All you're going to do here is send a request to another board for concurrence. They may not agree. This is just a recommendation that we are willing to accept what was understood to be the working arrangement between these organizations up through '99 and 2000 you know the rules have changed and we've got some documents to show that. It appears to me that a vote no says I want to go back and change the rules, Tex, I want to go back and change the rules and I don't think we can do that.

Olsen: Well, if we knew what the rules were.

McConkie: I think we did.

Olsen: I'd agree with you 100% but that's my problem.

McConkie: But I think we do know what the rules were, there's no documents to suggest anything different.

Cox: Just one more comment. If you go when you hired Brett Rich, all those surpluses were accumulated, go to the years you hired him and he spent more money, in other words, than we deserved in the past, if you go back and take an analysis of the wages, whatever happened when Brett Rich hired, you could owe UAC \$80,000 a year for '92 through '94, that's the way I read that, documents produced by the auditors. UAC would have a claim on the fact that they have been doing all of that work.

Herbert: Steve, we're going to give you the last comment.

Wall: I just had one quick question, Brent, in the first years, was there a line item budget like that given to the Mutual or was it...year, they said okay, then here's the money go do that?

Gardner: Yeah.

Herbert: Alright, we have a motion on the floor and we're going to call for the vote. Does everyone understand the motion? Steve will you restate it to make sure Sonya's got it right.

Baker: The motion is we recognize that 1999, 1992 to 1999 contract year is a fixed-fee contract, no money owing to either party and that from 2000 forward...

Herbert: I think legally owing.

Baker: Legally owing. From 2000 forward, whatever is owed to either party over \$7500 be paid.

Lemon: Is it either party or I thought just...I'm sorry, I thought that I just heard if we went over we...

Herbert: Okay, Danny seconded the motion, we've had discussion...

Olsen: Now the motion covers what period?

Herbert: '92 through '99.

Olsen: I must vote against the motion.

Lemon: Did you include in the motion that we would ask for those...

Baker: I'm going to make a separate motion on that.

Herbert: Let's make sure we've got the motion. Sonya can you read back what you've got?

White: I have, the Board recognizes '92 through '99 to be a fixed-fee contract, no money is legally owed to UACIM...

Herbert: To either party.

White: To either party, legally owed to either party...

Herbert: That was the motion?

White: Whatever is left 2000 to 2002? Is that what you're going by...

Wall: From 2000 forward.

White: Well, because...

Herbert: They've decided to make that a separate motion. So the first motion is '92 to '99...

McConkie: Second that.

Herbert: ...so that amendment. Everybody understand the motion? '92 to '99 it's a fee for services contract. All those in favor of the motion say aye.

Aye

Herbert: All those opposed say nay.

No

Herbert: Show of hands the nay, motion carries, Sheriff Phillips, Commissioner Olsen. Motion passes.

Baker: I would also move that the contract for the 2000 year forward the amounts over \$7500 owed to either party be paid and that Brent provides those amounts.

Norman: I'll second that.

Herbert: Motion by Steve, second by Royal, discussion, this is for year 2000.

Gardner: I just have a question. In calculating whether you're over \$7500, how far over \$7500 can you be. The question came up how to treat salaries and indirect costs. We treated it as you saw, each individual's prorated share, it was commented about \$15,000 in administrative fees being all that should be charged. So I just want clarification if we go back to do this we will include prorated amounts of all salaries, is that clear?

Lemon: I think we should go with whatever, what this Board and the UAC Board approved for those years. And they approved a \$5,000 then that's what, if they approved \$10,000 that's what we should use. At least that's my opinion. Stick to what we agreed to.

Wall: So that would...UAC employees.

Lemon: Yes, if we at the beginning of last year approved a budget for 2002 and that budget says \$5,000 or \$10,000 then that's what we should use.

Herbert: Is that...do you have other questions on the contract?

Gardner: So what you are saying, is whatever the line item budget has in it that will be the categories of expenses we would look at?

Lemon: I appreciate what Robison Hill did for the salaries but I think since we are talking about retroactive we ought to say let's go with what the Board approved.

Olsen: I think that is the only thing you can do.

Herbert: I guess the question could be, the next question, do we need to take the document out and add some clarification. We don't want to have to come back and do this again.

Lemon: I think we ought to say whatever those Boards approved because it is pretty hard to go back retroactively and say you know it cost us \$20,000 instead of \$10,000...

Herbert: We don't have that contract...the contract clear so we don't have any confusion.

Lemon: Well, Brent, I think it is clear what you have said. You presented something for 2000 budget, you presented something for the 2001 budget, you presented something for 2002, that would be in the minutes.

McConkie: Let's go with these documents and honor them.

Herbert: Okay, that's the intent, make sure we get that in the minutes. Again, other discussion on the motion?

Gardner: Yeah, I'm just trying to, I mean we can do it,

Herbert: You need more clarification here?

Olsen: Just pull out our budget that was the budget for those years.

Gardner: You talking about these Tex?

Olsen: I'm not talking about the ones you accounted.

Gardner: These are the budget, this is the budget, 2001.

Lemon: That's what you submitted to us.

Gardner: That's what I submitted.

Lemon: That's what I think you should use.

Olsen: That's the only thing he can use, otherwise we're making a new contract along the way, if that is recognized as the contract.

Herbert: I think we agree and let's just make that as part of the motion, we'll attach that, exhibit a, the budget. Other discussion.

Westenskow: I don't know if it's a program.

Herbert: Just stop. I won't let you talk anyway because...

Gamer: Well, if they're going to have to make this calculation I want to make sure they understand.

Herbert: That's why we're...

Westenskow: My understanding is that it can swing anyway \$7,500 but I also understand that nothing will exceed the amount approved on each line item on the budget so there is no swing the other way. That is a conflict I think in what you've presented here.

Herbert: I'm not sure we ever believed it could swing. It obviously has swung.

Lemon: Well the only thing I think we believed it could swing it was this management fee, is that not true? I think we've understood it...

Herbert: It's probably the labor issue, if all is said and done and Shawn quit and we hadn't taken the time to replace him we would say hey, we...we didn't spend, well we need a bunch of computers...

Westenskow: Can I use an example, Commissioner? This is 2001, this is a comparison of budget to actual included in the over/under is a \$10,000 variance on labor, but let's ignore that, but including that there is an actual that exceeds budget of \$40,000, so if we limit the \$10,000 we are saying that UACIM would owe UAC \$30,000 because this is the except to the accounting because the only one that got limited was the labor.

Olsen: I think really the answer to what you are asking is very well taken but what we have is a budget and they have said our budget is our contract and then we've said, Steve's version of the contract, his motion is, that if UAC's costs exceed are budgets then they get up to \$7500 so if it exceeds \$10,000 we get \$7500 but if it exceeds it be \$5,000 they would only \$5,000.

Westenskow: Based on that if we go with the year 2000, there would not be a reimbursement because you back out the, the year 2000, \$7,500 would go one way the 2001 the \$7,500 would go the other way.

Herbert: As long as it works out to be a wash I think we'll all be happy.

Olsen: And then vice versa just the other way as you've recognized it. As way I understand it that if their costs are that much less we would get up to \$7,500.

Tape Ended

Herbert: ...I think its the difference over than under so you've got a \$15,000 swing.

Gardner: Yeah, I just don't want to get into the same situation again where we got different interpretations.

Herbert: So let the minutes reflect, you don't want to get into this position again. Do we understand the motion?

Gardner: I understand that we're stuck...

Westenskow: I cannot the believe the variance over...

Gardner: These will be it right here.

Westenskow: Al right.

Herbert: Other discussion for the Board Members. Hearing none, everybody understands what the motion is?

Olsen: No

Lemon: Do you have another motion to add to this?

Baker: After.

Herbert: Okay, so this is the second motion, state it again.

Baker: For the year 2000 on we do what the contract says and reimburse either party for those costs or savings above the \$7,500.

Olsen: Let's not get into that language, do what the contract says, that's what got us in trouble. Why don't you just tell us what you think we are and include it in the motion that way?

Baker: If there is a savings of over \$7,500 UAC will reimburse the Mutual if expenses exceed \$7,500 of the budget the Mutual will reimburse UAC.

Herbert: That's the clarification.

Olsen: And in that clarification, how are they that assigned the management fees, employees addressed?

Lemon: Use the budget.

Herbert: I thought that's what happens we were using the budget as submitted to clarify that very issue.

Lemon: So if it's five or ten or whatever we agreed to before hand.

Herbert: Okay, unless there's other discussion.

Baker: Reimbursements of amounts over \$7,500.

Herbert: All those in favor of the motion, say aye.

Aye

Herbert: Opposed say nay. Motion carries unanimously.

Baker: I also move that UAC Insurance Board request Brent to take to the UAC Board of Directors our request to get reimbursed for unexpended salaries identified around the time Brett Rich and Mark Brady came on board or leaving and any other extraordinary circumstances that resulted in large items.

McConkie: Savings on computers.

Herbert: Some large items, kind of identified large, anything over \$7,500. Is there a second to the motion?

Roundy: I'll second it.

Herbert: Second, Gene, discussion?

McConkie: Call to the question.

Herbert: All those in favor say aye.

Aye.

Herbert: Opposed?

No

Herbert: We have one negative.

McConkie: You don't want to be paid back?

Olsen: I do want to be paid back but I took position no on the other.

Herbert: Trying to be consistent? Okay, thank you. That took a long time but I hope everybody will leave here thinking it's well worth it. Lunch hour is here, we still got a lot of stuff to do and I need to get the Board's direction because I don't think we're going to be able to get to everything. I still would like to be able to have this closed meeting for personal conduct and I've got to leave at 1:30. What are your list of priorities? We may need to, in fact I may recommend to the Board, to have other meeting scheduled from now until November to come back and do, for example, this restructuring of the UACIM Board, Bylaws, if we want to make some significant changes that may require another, I won't say marathon session, but we need to have some substantial time to kind of discuss what we want to do in that regard.

McConkie: ...we've got meetings in Wasatch County next week anyway...Sheriff would have to come...

Herbert: You referring to the USACCC Conference at the Homestead? Well, again, let's just through that on the table and see what we want to do because I think the next item Shawn's got, Restructuring of the UACIM Board and Bylaws, need to take some thought and discussion.

McConkie: I'd make a motion there and if you'll trust me I can do that in 20 seconds.

Herbert: We trust you but...

Lemon: Let me ask you, we've dealt with the past issues as far as redefining the relationship between UAC and UACIM but we're we going to further define how we were going to deal with this in the future?

Herbert: We are and I think that's what's coming up but my recommendation to the Audit Committee or my recommendations of having Insurance Mutual's staff, our direct employees opposed to going through UAC, the conflict we have with Brent Gardner and having to wear two hats, do we want to continue with that, changes we want to make, modifications we want to make, conception may be a conflict so that's the debate and I think it's going to take more than five minutes so I would recommend that we have a separate time...at Homestead, we're going to have a lot to do up there as Commissioners anyway so I don't think that's such a good idea.

Guzman: If we want to propose Bylaws changes for this membership meeting, I will have to have the final approval on the Bylaws changes, sometime on the second week of October I have to get them out by October 14 in order to give the 30-day notification. So you could have a meeting up at the Homestead but I'll need some direction after that meeting or at that meeting for the Bylaws changes to get around in time, if you want to do them.

Herbert: Looks like to me if you've got to have them by October 14 would it be possible to have a night meeting?

Several minutes discussing everyone's schedule.

Herbert: October 9, 8:00 that's the day of our next Insurance Mutual meeting, 8:00 to 12:00.

Schappert: Question by Kimberly, can't decipher.

Herbert: ...the meeting will be, redefine the relationship between UAC and UACIM, Bylaws changes...just be here. That brings us down, what do we have on the other half of the agenda now? We've got the Loss Control Manager's report, is Mark going to be, LeRay you're here for the Litigation Committee so we do have issues there, right? How long to do that?

Jackson: Five minutes.

Herbert: Five minutes to do that. Broker's Report, how long do you need?

Chino: 30 seconds.

Herbert: Why don't we just get you out of the way for the days end.

Chino: Mr. Chairman, members of the Board there are a number of items that we presented at the last meeting and five different policies, four of those you sent me back and said get numbers, do different things, new retentions, we are doing that, I don't have the numbers for you yet, we are just in the process.

Herbert: Any questions for our broker? John you're the best, thank you very much and I appreciate you for it. We'll do better with you next time. Loss Control, is Mark going to be here today?

Guzman: He's here if you want him.

Herbert: Okay, we'll have him after lunch, what do you think five minutes?

Guzman: Do I get 30 seconds?

Herbert: Do you need 30 seconds, I can give you more time.

Guzman: I can do it in 30 seconds and the rest of the stuff we can talk about later. I need to meet with you Danny, today about the Nominating Committee.

McConkie: Oh, yeah, that's right.

Guzman: We've sent out letters requesting nominations. Those Board members who are up are Commissioner Herbert, Lynn Lemon, Commissioner Blackwell, Commissioner Cox and Commissioner Norman this time.

Olsen: How do you handle my spot? Is that just an appointment to the Board?

Guzman: With the change in the Bylaws we just approved. You serve until the end of the year now, not till November but till the end of the year and then after January 1, the Board will appoint someone to fulfill your unexpired term. Last item, McLaren's contract for the coming year. We budgeted, we already did our budget but I just wanted to let you know that what I did was budget for a one year contract. They requested a four percent increase. They haven't requested an increase in two year and so we thought that was reasonable, but they wanted a multi-year contract and each of them locked us in to a percentage of increase either three or four percent. I didn't want to do that, I didn't see any reason for us to do that, so what I would like the Board to do is just to approve a one-year contract with McLaren's. The amount we budgeted is in the last budget meeting minutes so just to approve the one-year contract with the four percent increase.

Herbert: Do you need to put that on the agenda to us to take action?

Guzman: Actually, you know what, you approved that in the budget last time. It would be like approving one of your budgets at the county where you approve the items so I guess it's more information.

Herbert: It's information if you...decide that we need to do that let's say if you put in on for ratification next meeting or something to take action of the Board, put that on for ratification, our understanding will be here that we will have a one year contract with McLarens Toplis. Anything else, Shawn?

Guzman: None, that's it.

Herbert: Alright thank you, I appreciate that report. Let's do this then, we've got dinner, lunch, downstairs, I guess.

Cox: Why don't you do LeRay?

Herbert: Let's try and do it 15 minutes.

Cox: Why don't you do LeRay, then he can go, said he only needed...

Herbert: You want to do that, do LeRay's five minutes now? Is that okay...

Tape shut off for closed session (Litigation).

Actions were not recorded.

Meeting ended.



# **Utah Association of Counties**

- 1 -

## **Agreed-Upon Procedures Report**

**December 31, 2001**



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**ROBISON, HILL & Co.**  
A PROFESSIONAL CORPORATION

Certified Public Accountants



**ROBISON, HILL & CO.**  
A PROFESSIONAL CORPORATION

Certified Public Accountants

BRENT M. DAVIES, CPA  
DAVID O. SEAL, CPA  
W. DALE WESTENSKOW, CPA  
BARRY D. LOVELESS, CPA

Utah Association of Counties  
5397 South Vine Street  
Salt Lake City, Utah 84107

Dear Members of the Board:

We have performed the procedures enumerated below, which were agreed to by the Executive Committee and Management of Utah Association of Counties (UAC), solely to assist in analyzing UAC's financial records and preparing schedules with supporting documentation showing the cost that should be reasonably allocated to Utah Association of Counties Insurance Mutual (UACIM) for the year ended December 31, 2001. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Executive Committee and Management of UAC. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Agreed-upon procedures:

1. Analyze UAC's financial statements to determine direct costs that were attributable to UACIM.
2. Analyze financial records to determine the amount of any indirect costs that should be allocated to UACIM.
3. Interview management and other personnel to identify and account for all direct expenses, shared costs and services.
4. Identify and summarize supporting documentation that may be available upon request for third party review.
5. Propose a reasonable basis of cost allocation that may be applied to future and prior years.

We obtained from UAC the following information to assist in performing the agreed-upon procedures:

1. General ledger for the year ended December 31, 2001.
2. Descriptions and allocation basis of general ledger accounts.
3. Payroll records for the year ended December 31, 2001.
4. Job descriptions and estimation of time spent performing services for UACIM.
5. Schedules and calculations of reserve accounts.

### Summary of Conclusions:

1. UAC monthly compilation report contains numerous funds that provide management with certain information to assist in the decision making process. As a result of this, not all expenses for one fund are included in that fund, as they may have been recorded to additional funds. An example of this is McLarens portion of the building usage.
2. UAC has allocated a number of the expense categories based upon percentage of usage. Items such as certain salaries were not allocated to each fund.
3. The UACIM fund balance from the compilation report shows a year to date net excess of \$54,215.64. Upon consolidating all expenses that are associated with UACIM together with those included in the compilation report the result is a net deficit of \$34,976.52 for the year. In addition to this net deficit the UAC board of directors has required that both UAC and UACIM accumulate additional building reserves of which UACIM share is \$22,894. When this is combined with the net deficit, it results in a total deficit of \$57,870.52.

Attached are the following exhibits that have been prepared to assist in presenting this information:

- |           |  |
|-----------|--|
| Exhibit 1 | Trial balance for the year ending December 31, 2001 showing the compilation balance of the UACIM fund, accrual adjustments, McLarens adjustments, indirect/other expense adjustments, and adjusted balances. |
| Exhibit 2 | Narratives for Exhibit 1 indicating representations and calculations that have been made to arrive at balances.  |
| Exhibit 3 | General Ledger for the UACIM fund and portions of the special projects fund (McLarens) for the Year Ended December 31, 2001.   |
| Exhibit 4 | UACIM Conference Expenses  |
| Exhibit 5 | Building Reserve Calculation   |
| Exhibit 6 | Building Repairs and Replacement Reserve Calculation   |

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Executive Committee and Management of UAC and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted



Certified Public Accountants

Salt Lake City, Utah  
September 6, 2002

# **Exhibit 1**

Utah Association of Counties - UACIM Fund  
Standard Trial Balance  
December 31, 2001

Account	Description	UACIM Fund Compilation 12/31/01	Accrual adjustments 12/31/01	Adjusted Balance	McLarens 12/31/01	Adjusted Balance	Indirect/Other Expenses	Adjusted Balance
3120.010	Management Fees	(446,815.00) (a)		(446,815.00)		(446,815.00)		(446,815.00)
3150.010	Interest Income	(20,010.23) (b)		(20,010.23)		(20,010.23)	18,584.89 (ba)	(1,425.34)
3200.010	Transfer from Prop	(7,900.00) (c)		(7,900.00)		(7,900.00)		(7,900.00)
4030.010	Staff Salaries	160,333.70 (d)		160,333.70		160,333.70	34,103.00 (bb)	194,436.70
4040.010	Training & Assistance	13,097.84 (e)		13,097.84		13,097.84		13,097.84
4050.010	Legal		2,872.52 (ab)	2,872.52		2,872.52		2,872.52
4070.010	Management Fee	15,000.00 (f)		15,000.00		15,000.00	(15,000.00) (bc)	0.00
4090.010	Accounting & Auditing	1,704.50 (g)	50.00 (ab)	1,754.50		1,754.50		1,754.50
4170.010	Automobil Expense	7,344.39 (h)		7,344.39		7,344.39		7,344.39
4280.010	Technical Assistance	900.00 (i)		900.00		900.00		900.00
4290.010	Board Expense	15,249.61 (j)	164.00 (ab)	15,413.61		15,413.61	(3,708.00) (bh)	11,705.61
4300.010	Data Processing	5,112.85 (k)	(2,670.00) (aa)					
			24.95 (ab)	2,467.80		2,467.80	(135.08) (be)	2,282.72
4310.010	Staff Expense	18,657.42 (l)	(473.20) (aa)					
			100.59 (ab)	18,284.81		18,284.81		18,284.81
4400.010	Debt Service	28,398.77 (m)		28,398.77	20,598.55 (ac)	48,997.32		48,997.32
4410.010	Office Maintenance	11,623.21 (n)	(293.93) (aa)					
			(28.50) (aa)					
			1,317.91 (ab)	12,618.69	7,815.75 (ad)	20,434.44	(1,226.07) (bd)	19,208.37
4490.010	Telephone	5,579.11 (o)	(3,986.00) (aa)					
			(233.54) (aa)					
			134.56 (ab)	1,494.13		1,494.13	(112.06) (be)	1,382.07
4530.010	Postage	2,927.28 (p)	(9.20) (aa)					
			8.91 (ab)	2,926.99		2,926.99	(219.52) (be)	2,707.47
4610.010	Office Supplies	3,003.78 (q)	(43.35) (aa)					
			251.25 (ab)	3,211.68		3,211.68	(240.88) (be)	2,970.80
4620.010	Copies	1,302.73 (r)		1,302.73		1,302.73	(97.70) (be)	1,205.03
4010.010	Vacation and Sick Leave						668.41 (bf)	668.41
4690.010	Retirement	29,306.77 (s)	3,390.68 (ab)	32,697.45		32,697.45	3,083.00 (bb)	35,780.45
4730.010	Payroll Taxes	12,626.88 (t)		12,626.88		12,626.88	2,206.00 (bb)	14,832.88
4770.010	Medical Insurance	33,409.13 (u)		33,409.13		33,409.13	3,949.00 (bb)	37,358.13
4810.010	Other Insurance	1,446.24 (v)	112.83 (ab)	1,559.07		1,559.07	(116.93) (be)	1,442.14
4890.010	Dues, Subscription	2,141.78 (w)	(35.00) (aa)	2,106.78		2,106.78		2,106.78
5350.010	Printing	1,303.55 (x)		1,303.55		1,303.55		1,303.55
6350.010	Transfer to Prop &	25,970.05 (y)		25,970.05		25,970.05		25,970.05
6420.010	Debt Service-Principal	24,000.00 (z)		24,000.00	16,000.00 (ae)	40,000.00		40,000.00
6780.010	Conventions						2,434.32 (bg)	2,434.32
6880.010	Pub Relations & Marketing	70.00		70.00		70.00		70.00
YTD Net (Excess)Deficit		(54,215.64)	655.48	(53,560.16)	44,414.30	(9,145.86)	44,122.38	34,976.52
	Building Reseve						17,260.00 (ca)	
	Building Repairs and Replacement Reserve						5,634.00 (cb)	
	Total Reserves						22,894.00	22,894.00
	Total Deficit for 2001							57,870.52

## **Exhibit 2**

Compilation fund balance narratives have been made by representations of Utah Association of Counties, and not a result of procedures performed by Robison, Hill & Company.

- (a) Management fees paid by UACIM to UAC
- (b) Interest on Public Treasurers Investment Fund that have been allocated to this Fund.
- (c) Monies transferred in from the property and equipment fund as a result of an automobile sale.
- (d) Salaries of Shawn Guzman, Mark Brady and 70% of Sonya White's salary.
- (e) Insurance Mutual loss control training
- (f) Management Fee for UAC to allow for additional expenses not detailed.
- (g) Accounting and Auditing fees attributable to the fund. Calculated at approximately 9% of total accounting fees (1 of 11 total funds that are compiled during the year).
- (h) Automobile expenses incurred for the use and maintenance of two vehicles.
- (i) UACIM's portion of the preliminary Management Assessment study that was initiated.
- (j) Direct meeting expenses for UACIM board meetings.
- (k) 40% of monthly internet service, computer services, and direct portion of computer repairs.
- (l) Staff expenses for UACIM's staff.
- (m) UACIM's portion of the interest payments on the building. Calculated at 28.5% of the total.
- (n) UACIM's portion of the buildings landscaping, upkeep, repairs, and maintenance, these are calculated at 30% of the total.
- (o) 40% of telephone services and long distance. Conference calls are directly allocated.
- (p) 40% of postage and direct allocation of all federal express and overnight packages.
- (q) 40% of all office supplies.
- (r) 40% of copier maintenance agreements.
- (s) Retirement benefits for Shawn Guzman, Mark Brady and 70% for Sonya White.
- (t) FICA taxes for Shawn Guzman, Mark Brady and 70% for Sonya White.
- (u) Medical insurance for Shawn Guzman, Mark Brady and 70% for Sonya White.
- (v) 40% of package insurance policy that covers the building, disability, and fiduciary insurances as well as workers compensation insurance.
- (w) Direct allocation of dues and subscriptions for magazines, publications, and associations.
- (x) Direct allocation of printing services.
- (y) Expenditures for new vehicles and equipment transferred to property and equipment fund.
- (z) UACIM's portion of the principal payments on the building. Calculated at 28.5% of the total.

Accrual adjustments to reflect 2001 and 2000 accounts payables to bring financial statements to the accrual basis.

(aa) To reverse prior years accounts payable entries.

Account/Code	Description	Amount
4300.010	Data Processing	2,670.00
4490.010	Telephone	3,986.00
4310.010	Staff Expense	473.20
4410.010	Office Maintenance	293.93
4410.010	Office Maintenance	28.50
4490.010	Telephone	233.54
4530.010	Postage	9.20
4610.010	Office Supplies	43.35
4890.010	Dues, Subscription	35.00

(ab) To record current years accounts payable entries.

Account/Code	Description	Amount
4050.010	Legal	2,872.52
4090.010	Accounting &	50.00
4290.010	Board Expense	164.00
4300.010	Data Processing	24.95
4310.010	Staff Expense	100.59
4410.010	Office Maintenance	1,317.91
4490.010	Telephone	134.56
4610.010	Office Supplies	251.25
4690.010	Retirement	3,390.68
4810.010	Other Insurance	112.83
4530.010	Postage	8.91

McLarens portion of expenses not included in the UACIM Fund

- (ac) McLarens portion of the interest payments on the building. Calculated at 18.5% of the total.
- (ad) McLarens portion of the buildings landscaping, upkeep, repairs, and maintenance. Calculated at 20% of the total.
- (ae) McLarens portion of the principal payments on the building. Calculated at 18.5% of the total.

Indirect/Other Expenses have been calculated based upon the following information:

- (ba) The interest from the Public Treasurers Investment Fund (PTIF) has been calculated based upon approximately \$458,000 in investments. Based upon UAC's representation and this analysis it appears that monies received from UACIM for management fees are expensed fully in the year that it is received. It has been assumed that the management fee has been received on the first day of each quarter and has been fully expensed by the end of the quarter. Therefore, interest has been calculated based upon a quarterly management fee that is received from UACIM of \$111,703.75. Assuming the management fee is expensed each quarter our average quarterly cash balance is \$55,851.88. Yearly interest of \$1,425.34 has been calculated by taking the average balance of \$55,851.88 and multiplying it by the average PTIF interest rate for the year

ended December 31, 2001 of 2.552%. Based upon this, an adjustment of \$18,584.89 has been made to interest income to adjust the total to \$1,425.34.

- (bb) Indirect Salaries have been calculated for the following individuals based upon representations made to us through interviews with UAC personnel.

Brent Gardner - UACIM Administrator (UAC Executive Director)

- Attend UACIM Board of Trustees Meetings
- Oversight and Supervision of Staff Services Provided to UACIM
- Property Management
- Trouble Shoot County Problems
- Lobbying

Brent estimates that he spends 16.5% of his time in performing these activities for UACIM.

Salary	\$19,798
Payroll Taxes	\$ 1,110
Health Insurance	\$ 1,686
Retirement (9.26%)	\$ 1,833

Jean Evans - In an interview, Jean estimated that approximately 20% of her time is spent working with UACIM doing the following tasks:

- Bi-monthly payroll, cafeteria plan, retirement, vacation, and sick leave calculations and reconciliations
- Bookkeeping Services and maintenance of related files, reconciliations, and deposits.
- Personnel services
- Accounts payable and check requests
- Telephone Services

Salary	\$9,027
Payroll Taxes	\$ 691
Health Insurance	\$2,044
Retirement (9.26%)	\$ 836

Lisa Kalantzis - Lisa is no longer with UAC so an interview was performed with Doug Perry who took over her duties. Doug estimated that the following time in planning, preparation, and promoting the UAC/UACIM two Annual meetings.

<u>Month</u>	<u>% of Time</u>
July/December	10%
August/January	25%
September/February	35%
October/March	50%
November/April	50%

It has been estimated that UACIM accounts for approximately 20% of the annual meetings agenda, therefore, 20% of Lisa's time in preparing for these meetings is indirectly attributable to UACIM.

Lisa earned \$3,953 per month during 2001 of which the following amounts are attributable to UACIM.

<u>Month</u>	<u>Salary</u>
July/December	\$ 158
August/January	395
September/February	553
October/March	791
November/April	<u>791</u>
Total	\$2,688

Salary	\$2,688
Payroll Taxes	\$ 206
Health Insurance	\$ 219
Retirement (9.26%)	\$ 249

Pat Fizer - Performed receptionist duties and answered the phones for UAC and UACIM. It has been estimated that she spent approximately 10% of her time was spent performing duties for UACIM.

Salary	\$1,786
Payroll Taxes	\$ 137
Retirement (9.26%)	\$ 165

Debbie Goodwin - Performed receptionist duties and answering phones for UACIM. Debbie has estimated that she spends approximately one hour each day or approximately 9% of her time performing these duties.

Salary	\$804
Payroll Taxes	\$ 62

Sonya White - Performed services for UAC, however, information as to the extent and nature of services performed on behalf of UAC were not available. UAC would be more than willing to credit back UACIM for her services.

Shawn Guzman - Performed services for UAC, however, information as to the extent and nature of services performed on behalf of UAC were not available. UAC would be more than willing to credit back UACIM for his services.

- (bc) Management fee was set up to account for other indirect costs that may be incurred. Since the indirect costs in this report are being allocated this management fee is being reversed.
- (bd) UAC has accounted for the building space being allocated at 50% UAC, 30% UACIM and 20% McLarens. The correct percentages should be 53%UAC, 28.5% UACIM and 18.5% McLarens. An adjustment in the amount of \$1,226.07 to properly reflect the corrected percentages.
- (be) Shared expenses have been allocated to UACIM at 40% instead of being 37%, of total expenses. This adjustment correctly allocates these expenses to 37%.
- (bf) UAC policy allows their staff to accumulate unused vacation and sick leave. Retiring employees and employees terminating for other reasons are paid at 100% of unused vacation and 50% of unused sick leave. UACIM's portion of accrued vacation and sick leave expense for the year ended December 31, 2001 is calculated by subtracting the December 2001 accrued balance per individual from the December 2000 accrued balance and multiplying it based upon the percentages of time spent working for UACIM. Negative numbers indicate that current year and prior year vacation amounts were used during 2001, this is offset by the same increase. UACIM portion of accrued vacation and sick leave are as follows:

Brent Gardner	\$(774.28)
Shawn Guzman	\$ 261.54
Sonya White	\$ 763.84
Mark Brady	<u>\$ 417.31</u>
Total	\$ 668.41

The above vacation and sick leave amounts may be subject to payroll taxes and

retirement contribution when paid out. For the purposes of this report these have not been considered.

- (bg) UACIM's portion of management conference and annual convention expenses. See Exhibit 4 for more details.
- (bh) Adjustment to reclassify check #11307 that was incorrectly coded to UACIM Board expense.

#### Building reserve accounts

- (ca) The UAC board of directors has required that both UAC and UACIM accumulate additional building reserves to cover one years lease payments on the building. The accumulation of this reserve was to begin in the year 2000 and last for five years. UACIM's share of the reserve accumulation for 2001 was \$17,260. See Exhibit 5 for calculation.
- (cb) UAC and UACIM have been accumulating reserves for building equipment repairs and replacement. UACIM contribution to this reserve for 2001 is \$5,634. This calculation is based upon estimated replacement cost and life of building equipment as estimated by the building contractor. See Exhibit 6 for additional information.

## **Exhibit 3**

**UTAH ASSOCIATION OF COUNTIES**  
**Detail General Ledger**  
 Period: 01/01/2001 to 12/31/2001

page: 1

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>1110-010</b>		<b>1110 INVESTMENTS</b>						
01/01/2001				Beginning Balance				405,611.13
01/31/2001			GJ-104		2,332.70		2,332.70	407,943.83
01/31/2001			GJ-113		81,718.60		84,051.30	489,662.43
02/28/2001			RJ-203		2,577.78		86,629.08	492,240.21
02/28/2001			RJ-211			27,841.73	58,787.35	464,398.48
03/31/2001			GJ-303		2,176.29		60,963.64	466,574.77
03/31/2001			RJ-309			14,983.51	45,980.13	451,591.26
04/30/2001			RJ-403		1,855.27		47,835.40	453,446.53
04/30/2001			GJ-411		38,870.43		86,705.83	492,316.96
05/31/2001			RJ-503		1,950.48		88,656.31	494,267.44
05/31/2001			RJ-510			43,667.45	44,988.86	450,599.99
06/30/2001			GJ-603		1,597.92		46,586.78	452,197.91
06/30/2001			GJ-610			32,798.66	13,788.12	419,399.25
07/31/2001			RJ-703		1,439.24		15,227.36	420,838.49
07/31/2001			GJ-711		72,507.83		87,735.19	493,346.32
08/31/2001			GJ-803		1,643.07		89,378.26	494,989.39
08/31/2001			GJ-809			21,393.16	67,985.10	473,596.23
09/30/2001			GJ-903		1,402.51		69,387.61	474,998.74
09/30/2001			GJ-909			28,191.00	41,196.61	446,807.74
10/31/2001			GJ-1003		1,190.82		42,387.43	447,998.56
10/31/2001			GJ-1010			38,880.10	3,507.33	409,118.46
11/30/2001			GJ-1103		1,012.89		4,520.22	410,131.35
11/30/2001			GJ-1110			17,610.09	-13,089.87	392,521.26
12/31/2001			GJ-1203		831.26		-12,258.61	393,352.52
12/31/2001			GJ-1211		65,290.73		53,032.12	458,643.25
<b>2220-010</b>		<b>2220 FICA TAX WITHHELD</b>						
01/01/2001				Beginning Balance				0.00
01/11/2001			VGLCHKS-11211			11.16	-11.16	-11.16
01/11/2001			VGLCHKS-11226			160.17	-171.33	-171.33
01/11/2001			VGLCHKS-11231			179.18	-350.51	-350.51
01/11/2001			VGLCHKS-11235			65.41	-415.92	-415.92
01/17/2001			VGLCHKS-11262			33.08	-449.00	-449.00
01/17/2001			VGLCHKS-11263			33.09	-482.09	-482.09
01/24/2001			VGLCHKS-11273			174.11	-656.20	-656.20
01/24/2001			VGLCHKS-11276			179.18	-835.38	-835.38
01/24/2001			VGLCHKS-11280			65.41	-900.79	-900.79
01/31/2001			GJ-106		900.79		0.00	0.00

**UTAH ASSOCIATION OF COUNTIES**  
**Detail General Ledger**  
 Period: 01/01/2001 to 12/31/2001

Account Number Account Description

Fund 10 - UACIM

Transaction Date	Source Reference	Account Description	Transaction Reference	Debits	Credits	Net Change	Balance
<b>2220-010</b>		<b>2220 FICA TAX WITHHELD</b>					
02/12/2001	VGLCHKS-11352		BRADY,M - 000126 - FED - SSEC		160.17	-160.17	-160.17
02/12/2001	VGLCHKS-11357		GUZMAN,S - 000115 - FED - SSEC		179.18	-339.35	-339.35
02/12/2001	VGLCHKS-11361		WHITE,S - 000108 - FED - SSEC		65.41	-404.76	-404.76
02/22/2001	VGLCHKS-11401		BRADY,M - 000126 - FED - SSEC		160.17	-564.93	-564.93
02/22/2001	VGLCHKS-11404		GUZMAN,S - 000115 - FED - SSEC		179.18	-744.11	-744.11
02/22/2001	VGLCHKS-11408		WHITE,S - 000108 - FED - SSEC		65.41	-809.52	-809.52
02/22/2001	VGLCHKS-11410		GUZMAN,S - 000115 - FED - SSEC		8.37	-817.89	-817.89
02/28/2001	RJ-207			817.89		0.00	0.00
03/12/2001	VGLCHKS-11434		BRADY,M - 000126 - FED - SSEC		160.16	-160.16	-160.16
03/12/2001	VGLCHKS-11438		GUZMAN,S - 000115 - FED - SSEC		179.18	-339.34	-339.34
03/12/2001	VGLCHKS-11442		WHITE,S - 000108 - FED - SSEC		65.41	-404.75	-404.75
03/26/2001	VGLCHKS-11484		BRADY,M - 000126 - FED - SSEC		160.17	-564.92	-564.92
03/26/2001	VGLCHKS-11487		GUZMAN,S - 000115 - FED - SSEC		179.18	-744.10	-744.10
03/26/2001	VGLCHKS-11491		WHITE,S - 000108 - FED - SSEC		65.41	-809.51	-809.51
03/31/2001	GJ-306			809.51		0.00	0.00
04/09/2001	VGLCHKS-11550		BRADY,M - 000126 - FED - SSEC		160.17	-160.17	-160.17
04/09/2001	VGLCHKS-11553		GUZMAN,S - 000115 - FED - SSEC		179.18	-339.35	-339.35
04/09/2001	VGLCHKS-11557		WHITE,S - 000108 - FED - SSEC		65.41	-404.76	-404.76
04/23/2001	VGLCHKS-11584		BRADY,M - 000126 - FED - SSEC		160.16	-564.92	-564.92
04/23/2001	VGLCHKS-11588		GUZMAN,S - 000115 - FED - SSEC		179.18	-744.10	-744.10
04/23/2001	VGLCHKS-11592		WHITE,S - 000108 - FED - SSEC		65.41	-809.51	-809.51
04/30/2001	RJ-406			809.51		0.00	0.00
05/10/2001	VGLCHKS-11640		BRADY,M - 000126 - FED - SSEC		160.17	-160.17	-160.17
05/10/2001	VGLCHKS-11643		GUZMAN,S - 000115 - FED - SSEC		179.18	-339.35	-339.35
05/10/2001	VGLCHKS-11647		WHITE,S - 000108 - FED - SSEC		65.41	-404.76	-404.76
05/21/2001	VGLCHKS-11667		BRADY,M - 000126 - FED - SSEC		160.16	-564.92	-564.92
05/21/2001	VGLCHKS-11670		GUZMAN,S - 000115 - FED - SSEC		179.18	-744.10	-744.10
05/21/2001	VGLCHKS-11675		WHITE,S - 000108 - FED - SSEC		65.41	-809.51	-809.51
05/31/2001	RJ-507		RECLASSIFY WITHHOLDINGS			0.00	0.00
06/01/2001	VGLCHKS-11732		GUZMAN,S - 000115 - FED - SSEC		22.32	-22.32	-22.32
06/01/2001	VGLCHKS-11733		WHITE,S - 000108 - FED - SSEC		15.62	-37.94	-37.94
06/11/2001	VGLCHKS-11744		BRADY,M - 000126 - FED - SSEC		160.17	-198.11	-198.11
06/11/2001	VGLCHKS-11752		WHITE,S - 000108 - FED - SSEC		65.41	-263.52	-263.52
06/11/2001	VGLCHKS-11753		GUZMAN,S - 000115 - FED - SSEC		188.73	-452.25	-452.25
06/26/2001	VGLCHKS-11767		BRADY,M - 000126 - FED - SSEC		160.17	-612.42	-612.42
06/26/2001	VGLCHKS-11770		GUZMAN,S - 000115 - FED - SSEC		186.35	-798.77	-798.77
06/26/2001	VGLCHKS-11775		WHITE,S - 000108 - FED - SSEC		65.41	-864.18	-864.18

**UTAH ASSOCIATION OF COUNTIES**  
**Detail General Ledger**  
 Period: 01/01/2001 to 12/31/2001

page: 3

Account Number		Account Description	Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>Fund 10 - UACIM</b>									
<b>2220-010</b>		<b>2220 FICA TAX WITHHELD</b>							
06/30/2001		GJ-607			RECLASSIFY WITHHOLDINGS			0.00	0.00
07/10/2001		VGLCHKS-11859			BRADY,M - 000126 - FED - SSEC	864.18	160.16	-160.16	-160.16
07/10/2001		VGLCHKS-11862			GUZMAN,S - 000115 - FED - SSE		186.35	-346.51	-346.51
07/10/2001		VGLCHKS-11865			WHITE,S - 000108 - FED - SSEC		65.41	-411.92	-411.92
07/23/2001		VGLCHKS-11876			BRADY,M - 000126 - FED - SSEC		160.17	-572.09	-572.09
07/23/2001		VGLCHKS-11878			GUZMAN,S - 000115 - FED - SSE		186.35	-758.44	-758.44
07/23/2001		VGLCHKS-11885			WHITE,S - 000108 - FED - SSEC		9.77	-768.21	-768.21
07/25/2001		VGLCHKS-11890			WHITE,S - 000108 - FED - SSEC		68.03	-836.24	-836.24
07/31/2001		RJ-708			RECLASSIFY WITHHOLDINGS	836.24		0.00	0.00
08/13/2001		VGLCHKS-11950			BRADY,M - 000126 - FED - SSEC		160.17	-160.17	-160.17
08/13/2001		VGLCHKS-11955			GUZMAN,S - 000115 - FED - SSE		186.34	-346.51	-346.51
08/13/2001		VGLCHKS-11960			WHITE,S - 000108 - FED - SSEC		66.72	-413.23	-413.23
08/24/2001		VGLCHKS-11999			BRADY,M - 000126 - FED - SSEC		160.16	-573.39	-573.39
08/24/2001		VGLCHKS-12002			GUZMAN,S - 000115 - FED - SSE		186.35	-759.74	-759.74
08/24/2001		VGLCHKS-12007			WHITE,S - 000108 - FED - SSEC		66.72	-826.46	-826.46
08/31/2001		GJ-807			RECLASSIFY WITHHOLDINGS	826.46		0.00	0.00
09/04/2001		VGLCHKS-12033			BRADY,M - 000126 - FED - SSEC		160.17	-160.17	-160.17
09/04/2001		VGLCHKS-12041			WHITE,S - 000108 - FED - SSEC		66.72	-226.89	-226.89
09/04/2001		VGLCHKS-12042			GUZMAN,S - 000115 - FED - SSE		186.35	-413.24	-413.24
09/27/2001		VGLCHKS-12077			BRADY,M - 000126 - FED - SSEC		160.17	-573.41	-573.41
09/27/2001		VGLCHKS-12080			GUZMAN,S - 000115 - FED - SSE		186.34	-759.75	-759.75
09/27/2001		VGLCHKS-12085			WHITE,S - 000108 - FED - SSEC		66.72	-826.47	-826.47
09/30/2001		GJ-907			RECLASSIFY WITHHOLDINGS	826.47		0.00	0.00
10/09/2001		VGLCHKS-12115			BRADY,M - 000126 - FED - SSEC		160.16	-160.16	-160.16
10/09/2001		VGLCHKS-12118			GUZMAN,S - 000115 - FED - SSE		186.35	-346.51	-346.51
10/09/2001		VGLCHKS-12123			WHITE,S - 000108 - FED - SSEC		66.72	-413.23	-413.23
10/25/2001		VGLCHKS-12184			BRADY,M - 000126 - FED - SSEC		160.17	-573.40	-573.40
10/25/2001		VGLCHKS-12187			GUZMAN,S - 000115 - FED - SSE		186.35	-759.75	-759.75
10/25/2001		VGLCHKS-12192			WHITE,S - 000108 - FED - SSEC		66.72	-826.47	-826.47
10/31/2001		GJ-1007			RECLASSIFY WITHHOLDINGS	826.47		0.00	0.00
11/08/2001		VGLCHKS-12224			BRADY,M - 000126 - FED - SSEC		160.17	-160.17	-160.17
11/08/2001		VGLCHKS-12228			GUZMAN,S - 000115 - FED - SSE		186.35	-346.52	-346.52
11/08/2001		VGLCHKS-12233			WHITE,S - 000108 - FED - SSEC		66.73	-413.25	-413.25
11/26/2001		VGLCHKS-12274			BRADY,M - 000126 - FED - SSEC		160.16	-573.41	-573.41
11/26/2001		VGLCHKS-12277			GUZMAN,S - 000115 - FED - SSE		186.34	-759.75	-759.75
11/26/2001		VGLCHKS-12282			WHITE,S - 000108 - FED - SSEC		66.73	-826.48	-826.48
11/27/2001		VGLCHKS-12284			GUZMAN,S - 000115 - FED - SSE		5.58	-832.06	-832.06

**UTAH ASSOCIATION OF COUNTIES**  
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Fund 10 - UACIM						
Account Number	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change
Transaction Date						Balance
2220-010	2220 FICA TAX WITHHELD					
11/30/2001	GJ-1107		RECLASSIFY WITHHOLDINGS	832.06		0.00
12/11/2001	VGLCHKS-12344		BRADY,M - 000126 - FED - SSE		160.17	-160.17
12/11/2001	VGLCHKS-12349		GUZMAN,S - 000115 - FED - SSE		186.35	-346.52
12/11/2001	VGLCHKS-12354		WHITE,S - 000108 - FED - SSE		66.72	-413.24
12/17/2001	VGLCHKS-12356		BRADY,M - 000126 - FED - SSE		15.50	-428.74
12/17/2001	VGLCHKS-12363		GUZMAN,S - 000115 - FED - SSE		15.50	-444.24
12/17/2001	VGLCHKS-12368		WHITE,S - 000108 - FED - SSE		10.85	-455.09
12/21/2001	VGLCHKS-12419		BRADY,M - 000126 - FED - SSE		160.17	-615.26
12/21/2001	VGLCHKS-12425		WHITE,S - 000108 - FED - SSE		66.72	-681.98
12/21/2001	VGLCHKS-12426		GUZMAN,S - 000115 - FED - SSE		186.35	-868.33
12/31/2001	VGLCHKS-3		BRADY,M - 000126 - FED - SSE		150.66	-1,018.99
12/31/2001	VGLCHKS-4		GUZMAN,S - 000115 - FED - SSE		55.43	-1,074.42
12/31/2001	GJ-1207		RECLASSIFY WITHHOLDINGS	1,074.42		0.00
2230-010	2230 MEDICARE TAX WITHHELD					
01/01/2001			Beginning Balance			0.00
01/11/2001	VGLCHKS-11211		GUZMAN,S - 000115 - FED - MDCR		2.61	-2.61
01/11/2001	VGLCHKS-11226		BRADY,M - 000126 - FED - MDC		37.46	-40.07
01/11/2001	VGLCHKS-11231		GUZMAN,S - 000115 - FED - MDCR		41.91	-81.98
01/11/2001	VGLCHKS-11235		WHITE,S - 000108 - FED - MDCR		15.29	-97.27
01/17/2001	VGLCHKS-11262		GUZMAN,S - 000115 - FED - MDCR		7.73	-105.00
01/17/2001	VGLCHKS-11263		GUZMAN,S - 000115 - FED - MDCR		7.74	-112.74
01/24/2001	VGLCHKS-11273		BRADY,M - 000126 - FED - MDC		40.72	-153.46
01/24/2001	VGLCHKS-11276		GUZMAN,S - 000115 - FED - MDCR		41.90	-195.36
01/24/2001	VGLCHKS-11280		WHITE,S - 000108 - FED - MDCR		15.30	-210.66
01/31/2001	GJ-106		BRADY,M - 000126 - FED - MDC	210.66		0.00
02/12/2001	VGLCHKS-11352		GUZMAN,S - 000115 - FED - MDCR		37.46	-37.46
02/12/2001	VGLCHKS-11357		WHITE,S - 000108 - FED - MDCR		41.91	-79.37
02/12/2001	VGLCHKS-11361		BRADY,M - 000126 - FED - MDC		15.30	-94.67
02/22/2001	VGLCHKS-11401		GUZMAN,S - 000115 - FED - MDCR		37.46	-132.13
02/22/2001	VGLCHKS-11404		GUZMAN,S - 000115 - FED - MDCR		41.90	-174.03

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**Fund 10 - UACIM**

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>2230-010</b>		<b>2230 MEDICARE TAX WITHHELD</b>						
02/22/2001		VGLCHKS-11408		WHITE,S - 000108 - FED - MDCR		15.30	-189.33	-189.33
02/22/2001		VGLCHKS-11410		GUZMAN,S - 000115 - FED - MDCR		1.96	-191.29	-191.29
02/28/2001		RJ-207		BRADY,M - 000126 - FED - MDC	191.29	37.45	0.00	0.00
03/12/2001		VGLCHKS-11434		GUZMAN,S - 000115 - FED - MDCR		37.45	-37.45	-37.45
03/12/2001		VGLCHKS-11438		WHITE,S - 000108 - FED - MDCR		41.91	-79.36	-79.36
03/26/2001		VGLCHKS-11442		BRADY,M - 000126 - FED - MDC		15.30	-94.66	-94.66
03/26/2001		VGLCHKS-11484		GUZMAN,S - 000115 - FED - MDCR		37.46	-132.12	-132.12
03/26/2001		VGLCHKS-11487		WHITE,S - 000108 - FED - MDCR		41.90	-174.02	-174.02
03/26/2001		VGLCHKS-11491		BRADY,M - 000126 - FED - MDC		15.30	-189.32	-189.32
03/31/2001		GJ-306		GUZMAN,S - 000115 - FED - MDCR	189.32	0.00	0.00	0.00
04/09/2001		VGLCHKS-11550		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
04/09/2001		VGLCHKS-11553		WHITE,S - 000108 - FED - MDCR		41.91	-79.37	-79.37
04/09/2001		VGLCHKS-11557		BRADY,M - 000126 - FED - MDC		15.30	-94.67	-94.67
04/23/2001		VGLCHKS-11584		GUZMAN,S - 000115 - FED - MDCR		37.46	-132.13	-132.13
04/23/2001		VGLCHKS-11588		WHITE,S - 000108 - FED - MDCR		41.90	-174.03	-174.03
04/23/2001		VGLCHKS-11592		BRADY,M - 000126 - FED - MDC		15.30	-189.33	-189.33
04/30/2001		RJ-406		GUZMAN,S - 000115 - FED - MDCR	189.33	0.00	0.00	0.00
05/10/2001		VGLCHKS-11640		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
05/10/2001		VGLCHKS-11643		WHITE,S - 000108 - FED - MDCR		41.91	-79.37	-79.37
05/10/2001		VGLCHKS-11647		BRADY,M - 000126 - FED - MDC		15.30	-94.67	-94.67
05/21/2001		VGLCHKS-11667		GUZMAN,S - 000115 - FED - MDCR		37.46	-132.13	-132.13
05/21/2001		VGLCHKS-11670		WHITE,S - 000108 - FED - MDCR		41.90	-174.03	-174.03
05/21/2001		VGLCHKS-11675		BRADY,M - 000126 - FED - MDC		15.30	-189.33	-189.33
05/31/2001		RJ-507		RECLASSIFY WITHHOLDINGS	189.33	0.00	0.00	0.00
06/01/2001		VGLCHKS-11732		GUZMAN,S - 000115 - FED - MDCR		5.22	-5.22	-5.22
06/01/2001		VGLCHKS-11733		WHITE,S - 000108 - FED - MDCR		3.65	-8.87	-8.87
06/11/2001		VGLCHKS-11744		BRADY,M - 000126 - FED - MDC		37.45	-46.32	-46.32
06/11/2001		VGLCHKS-11752		WHITE,S - 000108 - FED - MDCR		15.30	-61.62	-61.62
06/11/2001		VGLCHKS-11753		GUZMAN,S - 000115 - FED - MDCR	44.14		-105.76	-105.76

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Fund 10 - UACIM

Account Number	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
2230-010	2230 MEDICARE TAX WITHHELD						
06/26/2001	VGLCHKS-11767		BRADY,M - 000126 - FED - MDC		37.46	-143.22	-143.22
06/26/2001	VGLCHKS-11770		GUZMAN,S - 000115 - FED - MDCR		43.58	-186.80	-186.80
06/26/2001	VGLCHKS-11775		WHITE,S - 000108 - FED - MDCR		15.30	-202.10	-202.10
06/30/2001	GJ-607		RECLASSIFY WITHHOLDINGS	202.10	0.00	0.00	0.00
07/10/2001	VGLCHKS-11859		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
07/10/2001	VGLCHKS-11862		GUZMAN,S - 000115 - FED - MDCR		43.58	-81.04	-81.04
07/10/2001	VGLCHKS-11865		WHITE,S - 000108 - FED - MDCR		15.30	-96.34	-96.34
07/23/2001	VGLCHKS-11876		BRADY,M - 000126 - FED - MDC		37.46	-133.80	-133.80
07/23/2001	VGLCHKS-11878		GUZMAN,S - 000115 - FED - MDCR		43.59	-177.39	-177.39
07/23/2001	VGLCHKS-11885		WHITE,S - 000108 - FED - MDCR		2.29	-179.68	-179.68
07/25/2001	VGLCHKS-11890		WHITE,S - 000108 - FED - MDCR		15.90	-195.58	-195.58
07/31/2001	RJ-708		RECLASSIFY WITHHOLDINGS	195.58	0.00	0.00	0.00
08/13/2001	VGLCHKS-11950		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
08/13/2001	VGLCHKS-11955		GUZMAN,S - 000115 - FED - MDCR		43.58	-81.04	-81.04
08/13/2001	VGLCHKS-11960		WHITE,S - 000108 - FED - MDCR		15.61	-96.65	-96.65
08/24/2001	VGLCHKS-11999		BRADY,M - 000126 - FED - MDC		37.46	-134.11	-134.11
08/24/2001	VGLCHKS-12002		GUZMAN,S - 000115 - FED - MDCR		43.58	-177.69	-177.69
08/24/2001	VGLCHKS-12007		WHITE,S - 000108 - FED - MDCR		15.60	-193.29	-193.29
08/31/2001	GJ-807		RECLASSIFY WITHHOLDINGS	193.29	0.00	0.00	0.00
09/04/2001	VGLCHKS-12033		BRADY,M - 000126 - FED - MDC		37.45	-37.45	-37.45
09/04/2001	VGLCHKS-12041		WHITE,S - 000108 - FED - MDCR		15.60	-53.05	-53.05
09/04/2001	VGLCHKS-12042		GUZMAN,S - 000115 - FED - MDCR		43.58	-96.63	-96.63
09/27/2001	VGLCHKS-12077		BRADY,M - 000126 - FED - MDC		37.46	-134.09	-134.09
09/27/2001	VGLCHKS-12080		GUZMAN,S - 000115 - FED - MDCR		43.58	-177.67	-177.67
09/27/2001	VGLCHKS-12085		WHITE,S - 000108 - FED - MDCR		15.60	-193.27	-193.27
09/30/2001	GJ-907		RECLASSIFY WITHHOLDINGS	193.27	0.00	0.00	0.00
10/09/2001	VGLCHKS-12115		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
10/09/2001	VGLCHKS-12118		GUZMAN,S - 000115 - FED - MDCR		43.58	-81.04	-81.04
10/09/2001	VGLCHKS-12123		WHITE,S - 000108 - FED - MDCR		15.60	-96.64	-96.64

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Fund 10 - UACIM

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
2230-010		2230 MEDICARE TAX WITHHELD						
10/25/2001		VGLCHKS-12184		BRADY,M - 000126 - FED - MDC		37.46	-134.10	-134.10
10/25/2001		VGLCHKS-12187		GUZMAN,S - 000115 - FED - MDCR		43.58	-177.68	-177.68
10/25/2001		VGLCHKS-12192		WHITE,S - 000108 - FED - MDCR		15.61	-193.29	-193.29
10/31/2001		GJ-1007		RECLASSIFY WITHHOLDINGS	193.29	0.00	0.00	0.00
11/08/2001		VGLCHKS-12224		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
11/08/2001		VGLCHKS-12228		GUZMAN,S - 000115 - FED - MDCR		43.58	-81.04	-81.04
11/08/2001		VGLCHKS-12233		WHITE,S - 000108 - FED - MDCR		15.60	-96.64	-96.64
11/26/2001		VGLCHKS-12274		BRADY,M - 000126 - FED - MDC		37.45	-134.09	-134.09
11/26/2001		VGLCHKS-12277		GUZMAN,S - 000115 - FED - MDCR		43.59	-177.68	-177.68
11/26/2001		VGLCHKS-12282		WHITE,S - 000108 - FED - MDCR		15.60	-193.28	-193.28
11/27/2001		VGLCHKS-12284		GUZMAN,S - 000115 - FED - MDCR		1.30	-194.58	-194.58
11/30/2001		GJ-1107		RECLASSIFY WITHHOLDINGS	194.58	0.00	0.00	0.00
12/11/2001		VGLCHKS-12344		BRADY,M - 000126 - FED - MDC		37.46	-37.46	-37.46
12/11/2001		VGLCHKS-12349		GUZMAN,S - 000115 - FED - MDCR		43.58	-81.04	-81.04
12/11/2001		VGLCHKS-12354		WHITE,S - 000108 - FED - MDCR		15.60	-96.64	-96.64
12/17/2001		VGLCHKS-12356		BRADY,M - 000126 - FED - MDC		3.63	-100.27	-100.27
12/17/2001		VGLCHKS-12363		GUZMAN,S - 000115 - FED - MDCR		3.63	-103.90	-103.90
12/17/2001		VGLCHKS-12368		WHITE,S - 000108 - FED - MDCR		2.54	-106.44	-106.44
12/21/2001		VGLCHKS-12419		BRADY,M - 000126 - FED - MDC		37.46	-143.90	-143.90
12/21/2001		VGLCHKS-12425		WHITE,S - 000108 - FED - MDCR		15.60	-159.50	-159.50
12/21/2001		VGLCHKS-12426		GUZMAN,S - 000115 - FED - MDCR		43.58	-203.08	-203.08
12/31/2001		VGLCHKS-3		BRADY,M - 000126 - FED - MDC		35.24	-238.32	-238.32
12/31/2001		VGLCHKS-4		GUZMAN,S - 000115 - FED - MDCR		12.96	-251.28	-251.28
12/31/2001		GJ-1207		RECLASSIFY WITHHOLDINGS	251.28	0.00	0.00	0.00
2240-010		2240 FEDERAL TAX WITHHELD						
01/01/2001				Beginning Balance				
01/11/2001		VGLCHKS-11226		BRADY,M - 000126 - FED - FWT	311.00		-311.00	-311.00
01/11/2001		VGLCHKS-11231		GUZMAN,S - 000115 - FED - FW	161.00		-472.00	-472.00
01/11/2001		VGLCHKS-11235		WHITE,S - 000108 - FED - FWT	106.40		-578.40	-578.40

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Account Number      Account Description

Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
2240-010		2240 FEDERAL TAX WITHHELD				
01/24/2001	VGLCHKS-11273	BRADY,M - 000126 - FED - FWT		374.00	-952.40	-952.40
01/24/2001	VGLCHKS-11276	GUZMAN,S - 000115 - FED - FW		161.00	-1,113.40	-1,113.40
01/24/2001	VGLCHKS-11280	WHITE,S - 000108 - FED - FWT		106.40	-1,219.80	-1,219.80
01/31/2001	GJ-106		1,219.80		0.00	0.00
02/12/2001	VGLCHKS-11352	BRADY,M - 000126 - FED - FWT		311.00	-311.00	-311.00
02/12/2001	VGLCHKS-11357	GUZMAN,S - 000115 - FED - FW		161.00	-472.00	-472.00
02/12/2001	VGLCHKS-11361	WHITE,S - 000108 - FED - FWT		106.40	-578.40	-578.40
02/22/2001	VGLCHKS-11401	BRADY,M - 000126 - FED - FWT		311.00	-889.40	-889.40
02/22/2001	VGLCHKS-11404	GUZMAN,S - 000115 - FED - FW		161.00	-1,050.40	-1,050.40
02/22/2001	VGLCHKS-11408	WHITE,S - 000108 - FED - FWT		106.40	-1,156.80	-1,156.80
02/28/2001	RJ-207		1,156.80		0.00	0.00
03/12/2001	VGLCHKS-11434	BRADY,M - 000126 - FED - FWT		311.00	-311.00	-311.00
03/12/2001	VGLCHKS-11438	GUZMAN,S - 000115 - FED - FW		161.00	-472.00	-472.00
03/12/2001	VGLCHKS-11442	WHITE,S - 000108 - FED - FWT		106.40	-578.40	-578.40
03/26/2001	VGLCHKS-11484	BRADY,M - 000126 - FED - FWT		311.00	-889.40	-889.40
03/26/2001	VGLCHKS-11487	GUZMAN,S - 000115 - FED - FW		161.00	-1,050.40	-1,050.40
03/26/2001	VGLCHKS-11491	WHITE,S - 000108 - FED - FWT		106.40	-1,156.80	-1,156.80
03/31/2001	GJ-306		1,156.80		0.00	0.00
04/09/2001	VGLCHKS-11550	BRADY,M - 000126 - FED - FWT		311.00	-311.00	-311.00
04/09/2001	VGLCHKS-11553	GUZMAN,S - 000115 - FED - FW		161.00	-472.00	-472.00
04/09/2001	VGLCHKS-11557	WHITE,S - 000108 - FED - FWT		106.40	-578.40	-578.40
04/23/2001	VGLCHKS-11584	BRADY,M - 000126 - FED - FWT		311.00	-889.40	-889.40
04/23/2001	VGLCHKS-11588	GUZMAN,S - 000115 - FED - FW		161.00	-1,050.40	-1,050.40
04/23/2001	VGLCHKS-11592	WHITE,S - 000108 - FED - FWT		106.40	-1,156.80	-1,156.80
04/30/2001	RJ-406		1,156.80		0.00	0.00
05/10/2001	VGLCHKS-11640	BRADY,M - 000126 - FED - FWT		311.00	-311.00	-311.00
05/10/2001	VGLCHKS-11643	GUZMAN,S - 000115 - FED - FW		161.00	-472.00	-472.00
05/10/2001	VGLCHKS-11647	WHITE,S - 000108 - FED - FWT		106.40	-578.40	-578.40
05/21/2001	VGLCHKS-11667	BRADY,M - 000126 - FED - FWT		311.00	-889.40	-889.40
05/21/2001	VGLCHKS-11670	GUZMAN,S - 000115 - FED - FW		161.00	-1,050.40	-1,050.40
05/21/2001	VGLCHKS-11675	WHITE,S - 000108 - FED - FWT		106.40	-1,156.80	-1,156.80
05/31/2001	RJ-507	RECLASSIFY WITHHOLDINGS			0.00	0.00
06/01/2001	VGLCHKS-11733	WHITE,S - 000108 - FED - FWT	9.80		-9.80	-9.80
06/11/2001	VGLCHKS-11744	BRADY,M - 000126 - FED - FWT		311.00	-320.80	-320.80
06/11/2001	VGLCHKS-11752	WHITE,S - 000108 - FED - FWT		106.40	-427.20	-427.20
06/11/2001	VGLCHKS-11753	GUZMAN,S - 000115 - FED - FW		184.00	-611.20	-611.20
06/26/2001	VGLCHKS-11767	BRADY,M - 000126 - FED - FWT		413.00	-1,024.20	-1,024.20

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**Fund 10 - UACIM**

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
2240-010		2240 FEDERAL TAX WITHHELD						
06/26/2001		VGLCHKS-11770		GUZMAN,S - 000115 - FED - FWT		178.00	-1,202.20	-1,202.20
06/26/2001		VGLCHKS-11775		WHITE,S - 000108 - FED - FWT		106.40	-1,308.60	-1,308.60
06/30/2001		GJ-607		RECLASSIFY WITHHOLDINGS	1,308.60		0.00	0.00
07/10/2001		VGLCHKS-11859		BRADY,M - 000126 - FED - FWT		413.00	-413.00	-413.00
07/10/2001		VGLCHKS-11862		GUZMAN,S - 000115 - FED - FWT		178.00	-591.00	-591.00
07/10/2001		VGLCHKS-11865		WHITE,S - 000108 - FED - FWT		106.40	-697.40	-697.40
07/23/2001		VGLCHKS-11876		BRADY,M - 000126 - FED - FWT		408.00	-1,105.40	-1,105.40
07/23/2001		VGLCHKS-11878		GUZMAN,S - 000115 - FED - FWT		196.00	-1,301.40	-1,301.40
07/25/2001		VGLCHKS-11890		WHITE,S - 000108 - FED - FWT		112.00	-1,413.40	-1,413.40
07/31/2001		RJ-708		RECLASSIFY WITHHOLDINGS	1,413.40		0.00	0.00
08/13/2001		VGLCHKS-11950		BRADY,M - 000126 - FED - FWT		408.00	-408.00	-408.00
08/13/2001		VGLCHKS-11955		GUZMAN,S - 000115 - FED - FWT		196.00	-604.00	-604.00
08/13/2001		VGLCHKS-11960		WHITE,S - 000108 - FED - FWT		109.20	-713.20	-713.20
08/24/2001		VGLCHKS-11999		BRADY,M - 000126 - FED - FWT		408.00	-1,121.20	-1,121.20
08/24/2001		VGLCHKS-12002		GUZMAN,S - 000115 - FED - FWT		196.00	-1,317.20	-1,317.20
08/24/2001		VGLCHKS-12007		WHITE,S - 000108 - FED - FWT		109.20	-1,426.40	-1,426.40
08/31/2001		GJ-807		RECLASSIFY WITHHOLDINGS	1,426.40		0.00	0.00
09/04/2001		VGLCHKS-12033		BRADY,M - 000126 - FED - FWT		408.00	-408.00	-408.00
09/04/2001		VGLCHKS-12041		WHITE,S - 000108 - FED - FWT		109.20	-517.20	-517.20
09/04/2001		VGLCHKS-12042		GUZMAN,S - 000115 - FED - FWT		196.00	-713.20	-713.20
09/27/2001		VGLCHKS-12077		BRADY,M - 000126 - FED - FWT		408.00	-1,121.20	-1,121.20
09/27/2001		VGLCHKS-12080		GUZMAN,S - 000115 - FED - FWT		196.00	-1,317.20	-1,317.20
09/27/2001		VGLCHKS-12085		WHITE,S - 000108 - FED - FWT		109.20	-1,426.40	-1,426.40
09/30/2001		GJ-907		RECLASSIFY WITHHOLDINGS	1,426.40		0.00	0.00
10/09/2001		VGLCHKS-12115		BRADY,M - 000126 - FED - FWT		408.00	-408.00	-408.00
10/09/2001		VGLCHKS-12118		GUZMAN,S - 000115 - FED - FWT		196.00	-604.00	-604.00
10/09/2001		VGLCHKS-12123		WHITE,S - 000108 - FED - FWT		109.20	-713.20	-713.20
10/25/2001		VGLCHKS-12184		BRADY,M - 000126 - FED - FWT		408.00	-1,121.20	-1,121.20
10/25/2001		VGLCHKS-12187		GUZMAN,S - 000115 - FED - FWT		196.00	-1,317.20	-1,317.20
10/25/2001		VGLCHKS-12192		WHITE,S - 000108 - FED - FWT		109.20	-1,426.40	-1,426.40
10/31/2001		GJ-1007		RECLASSIFY WITHHOLDINGS	1,426.40		0.00	0.00
11/08/2001		VGLCHKS-12224		BRADY,M - 000126 - FED - FWT		408.00	-408.00	-408.00
11/08/2001		VGLCHKS-12228		GUZMAN,S - 000115 - FED - FWT		196.00	-604.00	-604.00
11/08/2001		VGLCHKS-12233		WHITE,S - 000108 - FED - FWT		109.20	-713.20	-713.20
11/26/2001		VGLCHKS-12274		BRADY,M - 000126 - FED - FWT		408.00	-1,121.20	-1,121.20
11/26/2001		VGLCHKS-12277		GUZMAN,S - 000115 - FED - FWT		196.00	-1,317.20	-1,317.20
11/26/2001		VGLCHKS-12282		WHITE,S - 000108 - FED - FWT		109.20	-1,426.40	-1,426.40

**UTAH ASSOCIATION OF COUNTIES**  
**Detail General Ledger**  
 Period: 01/01/2001 to 12/31/2001

Fund 10 - UACIM

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>2240-010</b>		<b>2240 FEDERAL TAX WITHHELD</b>						
11/30/2001		GJ-1107					0.00	0.00
12/11/2001		VGLCHKS-12344		RECLASSIFY WITHHOLDINGS	1,426.40	408.00	-408.00	-408.00
12/11/2001		VGLCHKS-12349		BRADY,M - 000126 - FED - FWT		196.00	-604.00	-604.00
12/11/2001		VGLCHKS-12354		GUZMAN,S - 000115 - FED - FW		109.20	-713.20	-713.20
12/21/2001		VGLCHKS-12419		WHITE,S - 000108 - FED - FWT		408.00	-1,121.20	-1,121.20
12/21/2001		VGLCHKS-12425		BRADY,M - 000126 - FED - FWT		109.20	-1,230.40	-1,230.40
12/21/2001		VGLCHKS-12426		WHITE,S - 000108 - FED - FWT		196.00	-1,426.40	-1,426.40
12/31/2001		VGLCHKS-3		GUZMAN,S - 000115 - FED - FW	185.90		-1,240.50	-1,240.50
12/31/2001		VGLCHKS-4		BRADY,M - 000126 - FED - FWT	68.39		-1,172.11	-1,172.11
12/31/2001		GJ-1207		GUZMAN,S - 000115 - FED - FW	1,172.11		0.00	0.00
				RECLASSIFY WITHHOLDINGS				
<b>2260-010</b>		<b>2260 STATE TAX WITHHELD</b>						
01/01/2001				Beginning Balance				0.00
01/11/2001		VGLCHKS-11226		BRADY,M - 000126 - SWT - UT		141.16	-141.16	-141.16
01/11/2001		VGLCHKS-11231		GUZMAN,S - 000115 - SWT - UT		115.10	-256.26	-256.26
01/11/2001		VGLCHKS-11235		WHITE,S - 000108 - SWT - UT		48.78	-305.04	-305.04
01/24/2001		VGLCHKS-11273		BRADY,M - 000126 - SWT - UT		155.78	-460.82	-460.82
01/24/2001		VGLCHKS-11276		GUZMAN,S - 000115 - SWT - UT		115.10	-575.92	-575.92
01/24/2001		VGLCHKS-11280		WHITE,S - 000108 - SWT - UT		48.78	-624.70	-624.70
02/12/2001		VGLCHKS-11352		BRADY,M - 000126 - SWT - UT		141.16	-765.86	-765.86
02/12/2001		VGLCHKS-11357		GUZMAN,S - 000115 - SWT - UT		115.10	-880.96	-880.96
02/12/2001		VGLCHKS-11361		WHITE,S - 000108 - SWT - UT		48.78	-929.74	-929.74
02/22/2001		VGLCHKS-11401		BRADY,M - 000126 - SWT - UT		141.16	-1,070.90	-1,070.90
02/22/2001		VGLCHKS-11404		GUZMAN,S - 000115 - SWT - UT		115.10	-1,186.00	-1,186.00
02/22/2001		VGLCHKS-11408		WHITE,S - 000108 - SWT - UT		48.78	-1,234.78	-1,234.78
03/12/2001		VGLCHKS-11434		BRADY,M - 000126 - SWT - UT		141.16	-1,375.94	-1,375.94
03/12/2001		VGLCHKS-11438		GUZMAN,S - 000115 - SWT - UT		115.10	-1,491.04	-1,491.04
03/12/2001		VGLCHKS-11442		WHITE,S - 000108 - SWT - UT		48.78	-1,539.82	-1,539.82
03/26/2001		VGLCHKS-11484		BRADY,M - 000126 - SWT - UT		141.16	-1,680.98	-1,680.98
03/26/2001		VGLCHKS-11487		GUZMAN,S - 000115 - SWT - UT		115.10	-1,796.08	-1,796.08
03/26/2001		VGLCHKS-11491		WHITE,S - 000108 - SWT - UT		48.78	-1,844.86	-1,844.86
04/09/2001		VGLCHKS-11550		BRADY,M - 000126 - SWT - UT		141.16	-1,986.02	-1,986.02
04/09/2001		VGLCHKS-11553		GUZMAN,S - 000115 - SWT - UT		115.10	-2,101.12	-2,101.12
04/09/2001		VGLCHKS-11557		WHITE,S - 000108 - SWT - UT		48.78	-2,149.90	-2,149.90
04/23/2001		VGLCHKS-11584		BRADY,M - 000126 - SWT - UT		141.16	-2,291.06	-2,291.06
04/23/2001		VGLCHKS-11588		GUZMAN,S - 000115 - SWT - UT		115.10	-2,406.16	-2,406.16
04/23/2001		VGLCHKS-11592		WHITE,S - 000108 - SWT - UT		48.78	-2,454.94	-2,454.94
04/30/2001		RJ-406			1,844.86		-610.08	-610.08

**UTAH ASSOCIATION OF COUNTIES**  
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 Period: 01/01/2001 to 12/31/2001

**Fund 10 - UACIM**

**Account Number      Account Description**

Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>2260-010</b>	<b>2260 STATE TAX WITHHELD</b>					
05/10/2001	VGLCHKS-11640	BRADY,M - 000126 - SWT - UT		141.16	-751.24	-751.24
05/10/2001	VGLCHKS-11643	GUZMAN,S - 000115 - SWT - UT		115.10	-866.34	-866.34
05/10/2001	VGLCHKS-11647	WHITE,S - 000108 - SWT - UT		48.78	-915.12	-915.12
05/21/2001	VGLCHKS-11667	BRADY,M - 000126 - SWT - UT		141.16	-1,056.28	-1,056.28
05/21/2001	VGLCHKS-11670	GUZMAN,S - 000115 - SWT - UT		115.10	-1,171.38	-1,171.38
05/21/2001	VGLCHKS-11675	WHITE,S - 000108 - SWT - UT		48.78	-1,220.16	-1,220.16
06/01/2001	VGLCHKS-11733	WHITE,S - 000108 - SWT - UT		7.11	-1,227.27	-1,227.27
06/11/2001	VGLCHKS-11744	BRADY,M - 000126 - SWT - UT		141.16	-1,368.43	-1,368.43
06/11/2001	VGLCHKS-11752	WHITE,S - 000108 - SWT - UT		48.78	-1,417.21	-1,417.21
06/11/2001	VGLCHKS-11753	GUZMAN,S - 000115 - SWT - UT		125.12	-1,542.33	-1,542.33
06/26/2001	VGLCHKS-11767	BRADY,M - 000126 - SWT - UT		154.32	-1,696.65	-1,696.65
06/26/2001	VGLCHKS-11770	GUZMAN,S - 000115 - SWT - UT		122.62	-1,819.27	-1,819.27
06/26/2001	VGLCHKS-11775	WHITE,S - 000108 - SWT - UT		48.78	-1,868.05	-1,868.05
06/30/2001	GJ-607	RECLASSIFY WITHHOLDINGS	1,868.05		0.00	0.00
07/10/2001	VGLCHKS-11859	BRADY,M - 000126 - SWT - UT		154.32	-154.32	-154.32
07/10/2001	VGLCHKS-11862	GUZMAN,S - 000115 - SWT - UT		122.62	-276.94	-276.94
07/10/2001	VGLCHKS-11865	WHITE,S - 000108 - SWT - UT		48.78	-325.72	-325.72
07/23/2001	VGLCHKS-11876	BRADY,M - 000126 - SWT - UT		154.32	-480.04	-480.04
07/23/2001	VGLCHKS-11878	GUZMAN,S - 000115 - SWT - UT		127.00	-607.04	-607.04
07/23/2001	VGLCHKS-11885	WHITE,S - 000108 - SWT - UT		2.74	-609.78	-609.78
07/25/2001	VGLCHKS-11890	WHITE,S - 000108 - SWT - UT		51.31	-661.09	-661.09
08/13/2001	VGLCHKS-11950	BRADY,M - 000126 - SWT - UT		154.32	-815.41	-815.41
08/13/2001	VGLCHKS-11955	GUZMAN,S - 000115 - SWT - UT		127.00	-942.41	-942.41
08/13/2001	VGLCHKS-11960	WHITE,S - 000108 - SWT - UT		49.94	-992.35	-992.35
08/24/2001	VGLCHKS-11999	BRADY,M - 000126 - SWT - UT		154.32	-1,146.67	-1,146.67
08/24/2001	VGLCHKS-12002	GUZMAN,S - 000115 - SWT - UT		127.00	-1,273.67	-1,273.67
08/24/2001	VGLCHKS-12007	WHITE,S - 000108 - SWT - UT		49.94	-1,323.61	-1,323.61
08/31/2001	GJ-807	RECLASSIFY WITHHOLDINGS	1,323.61		0.00	0.00
09/04/2001	VGLCHKS-12033	BRADY,M - 000126 - SWT - UT		154.32	-154.32	-154.32
09/04/2001	VGLCHKS-12041	WHITE,S - 000108 - SWT - UT		49.94	-204.26	-204.26
09/04/2001	VGLCHKS-12042	GUZMAN,S - 000115 - SWT - UT		127.00	-331.26	-331.26
09/27/2001	VGLCHKS-12077	BRADY,M - 000126 - SWT - UT		154.32	-485.58	-485.58
09/27/2001	VGLCHKS-12080	GUZMAN,S - 000115 - SWT - UT		127.00	-612.58	-612.58
09/27/2001	VGLCHKS-12085	WHITE,S - 000108 - SWT - UT		49.94	-662.52	-662.52
10/09/2001	VGLCHKS-12115	BRADY,M - 000126 - SWT - UT		154.32	-816.84	-816.84
10/09/2001	VGLCHKS-12118	GUZMAN,S - 000115 - SWT - UT		127.00	-943.84	-943.84
10/09/2001	VGLCHKS-12123	WHITE,S - 000108 - SWT - UT		49.94	-993.78	-993.78

# UTAH ASSOCIATION OF COUNTIES

## Detail General Ledger

Period: 01/01/2001 to 12/31/2001

Fund 10 - UACIM					
Account Number	Account Description	Source Reference	Transaction Reference	Debits	Credits
Transaction Date					
				Net Change	Balance
2260-010	2260 STATE TAX WITHHELD				
10/25/2001	VGLCHKS-12184		BRADY,M - 000126 - SWT - UT	154.32	-1,148.10
10/25/2001	VGLCHKS-12187		GUZMAN,S - 000115 - SWT - UT	127.00	-1,275.10
10/25/2001	VGLCHKS-12192		WHITE,S - 000108 - SWT - UT	49.94	-1,325.04
10/31/2001	GJ-1007		RECLASSIFY WITHHOLDINGS	0.00	0.00
11/08/2001	VGLCHKS-12224		BRADY,M - 000126 - SWT - UT	154.32	-154.32
11/08/2001	VGLCHKS-12228		GUZMAN,S - 000115 - SWT - UT	127.00	-281.32
11/08/2001	VGLCHKS-12233		WHITE,S - 000108 - SWT - UT	49.94	-331.26
11/26/2001	VGLCHKS-12274		BRADY,M - 000126 - SWT - UT	154.32	-485.58
11/26/2001	VGLCHKS-12277		GUZMAN,S - 000115 - SWT - UT	127.00	-612.58
11/26/2001	VGLCHKS-12282		WHITE,S - 000108 - SWT - UT	49.94	-662.52
11/30/2001	GJ-1107		RECLASSIFY WITHHOLDINGS	0.00	0.00
12/11/2001	VGLCHKS-12344		BRADY,M - 000126 - SWT - UT	154.32	-154.32
12/11/2001	VGLCHKS-12349		GUZMAN,S - 000115 - SWT - UT	127.00	-281.32
12/11/2001	VGLCHKS-12354		WHITE,S - 000108 - SWT - UT	49.94	-331.26
12/17/2001	VGLCHKS-12356		BRADY,M - 000126 - SWT - UT	4.90	-336.16
12/17/2001	VGLCHKS-12368		WHITE,S - 000108 - SWT - UT	3.43	-339.59
12/21/2001	VGLCHKS-12419		BRADY,M - 000126 - SWT - UT	154.32	-493.91
12/21/2001	VGLCHKS-12425		WHITE,S - 000108 - SWT - UT	49.94	-543.85
12/21/2001	VGLCHKS-12426		GUZMAN,S - 000115 - SWT - UT	127.00	-670.85
2900-010	2900 FUND BALANCE				
01/01/2001			Beginning Balance		-405,611.13
01/31/2001	GJ-113			83,426.60	-83,426.60
01/31/2001	RJ-1009		CAPITALIZE ASSET	1,854.37	-489,037.73
02/28/2001	RJ-211			25,874.03	-490,892.10
03/31/2001	RJ-309			13,417.30	-465,018.07
04/30/2001	GJ-411		ADJUST BALANCES	41,960.48	-451,600.77
05/31/2001	RJ-510			42,327.05	-493,561.25
06/30/2001	GJ-610			29,980.58	-451,234.20
07/31/2001	GJ-711		ADJUST BALANCES	73,285.98	-421,253.62
08/31/2001	GJ-809			19,089.00	-494,539.60
08/31/2001	RJ-811		ADJUST RE FOR JE#810	159.56	-475,450.60
09/30/2001	GJ-909		ADJUST BALANCES	27,291.45	-447,999.59
10/16/2001	VGLCHKS-12126		COMMERCIAL ART & FRAME	1,854.37	-446,145.22
10/31/2001	GJ-1010		ADJUST BALANCES	37,026.76	-409,118.46
11/30/2001	GJ-1110			16,597.20	-392,521.26
12/31/2001	GJ-1211		ADJUST BALANCES	65,451.14	-457,972.40
2951-010	DISTRIBUTION OF ENDING BALANCE				

**UTAH ASSOCIATION OF COUNTIES**  
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**Period: 01/01/2001 to 12/31/2001**

Account Number		Account Description	Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
Fund 10 - UACIM									
2951-010	01/01/2001				Beginning Balance				405,611.13
					DISTRIBUTION OF ENDING BALANCE				
	01/31/2001			GJ-113		83,426.60	83,426.60	83,426.60	489,037.73
	01/31/2001			GJ-201				0.00	405,611.13
	02/28/2001			RJ-202		83,426.60		83,426.60	489,037.73
	02/28/2001			RJ-211			25,874.03	25,874.03	463,163.70
	02/28/2001			GJ-301		25,874.03		83,426.60	489,037.73
	03/31/2001			GJ-302			25,874.03	57,552.57	463,163.70
	03/31/2001			RJ-309			13,417.30	44,135.27	449,746.40
	03/31/2001			GJ-401		13,417.30		57,552.57	463,163.70
	04/30/2001			RJ-402			13,417.30	44,135.27	449,746.40
	04/30/2001			GJ-411		41,960.48		86,095.75	491,706.88
	04/30/2001			GJ-501			41,960.48	44,135.27	449,746.40
	05/31/2001			RJ-502		41,960.48		86,095.75	491,706.88
	05/31/2001			RJ-510			42,327.05	43,768.70	449,379.83
	05/31/2001			GJ-601		42,327.05		86,095.75	491,706.88
	06/30/2001			GJ-602			42,327.05	43,768.70	449,379.83
	06/30/2001			GJ-610		29,980.58		13,788.12	419,399.25
	06/30/2001			GJ-701			29,980.58	43,768.70	449,379.83
	07/31/2001			RJ-702		29,980.58		13,788.12	419,399.25
	07/31/2001			GJ-711			29,980.58	87,074.10	492,685.23
	07/31/2001			GJ-801		73,285.98		13,788.12	419,399.25
	08/31/2001			GJ-802			73,285.98	87,074.10	492,685.23
	08/31/2001			GJ-809			19,089.00	67,985.10	473,596.23
	08/31/2001			RJ-811			159.56	67,825.54	473,436.67
	08/31/2001			GJ-901		19,248.56		87,074.10	492,685.23
	09/30/2001			GJ-902			19,248.56	67,825.54	473,436.67
	09/30/2001			GJ-909			27,291.45	40,534.09	446,145.22
	09/30/2001			GJ-1001		27,291.45		67,825.54	473,436.67
	10/31/2001			GJ-1002			27,291.45	40,534.09	446,145.22
	10/31/2001			GJ-1010			37,026.76	3,507.33	409,118.46
	10/31/2001			GJ-1101		35,172.39		38,679.72	444,290.85
	11/30/2001			GJ-1102			35,172.39	3,507.33	409,118.46
	11/30/2001			GJ-1110			16,597.20	-13,089.87	392,521.26
	11/30/2001			GJ-1201		16,597.20		3,507.33	409,118.46
	12/31/2001			GJ-1202			16,597.20	-13,089.87	392,521.26
	12/31/2001			GJ-1211		65,451.14		52,361.27	457,972.40
3001-010					BEGINNING BALANCE				

**UTAH ASSOCIATION OF COUNTIES**  
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Fund 10 - UACIM							
Account Number	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
01/01/2001			Beginning Balance				0.00
3001-010	BEGINNING BALANCE						
01/31/2001	GJ-112				405,611.13	-405,611.13	-405,611.13
01/31/2001	GJ-201			83,426.60		-322,184.53	-322,184.53
01/31/2001	RJ-1009			1,854.37		-320,330.16	-320,330.16
02/28/2001	RJ-202		CAPITALIZE ASSET		83,426.60	-403,756.76	-403,756.76
02/28/2001	GJ-301				25,874.03	-429,630.79	-429,630.79
03/31/2001	GJ-302			25,874.03		-403,756.76	-403,756.76
03/31/2001	GJ-401				13,417.30	-417,174.06	-417,174.06
04/30/2001	RJ-402			13,417.30		-403,756.76	-403,756.76
04/30/2001	GJ-501		PRIOR PERIOD ADJUSTMENT	41,960.48		-361,796.28	-361,796.28
05/31/2001	RJ-502		BEGINNING BALANCE	41,960.48		-403,756.76	-403,756.76
05/31/2001	GJ-601		PRIOR PERIOD ADJUSTMENT	42,327.05		-446,083.81	-446,083.81
06/30/2001	GJ-602		BEGINNING BALANCE	42,327.05		-403,756.76	-403,756.76
06/30/2001	GJ-701		PRIOR PERIOD ADJUSTMENT	29,980.58		-433,737.34	-433,737.34
07/31/2001	RJ-702		BEGINNING BALANCE	29,980.58		-403,756.76	-403,756.76
07/31/2001	GJ-801		PRIOR PERIOD ADJUSTMENT	73,285.98		-330,470.78	-330,470.78
08/31/2001	GJ-802		BEGINNING BALANCE	73,285.98		-403,756.76	-403,756.76
08/31/2001	GJ-901		PRIOR PERIOD ADJUSTMENT	19,248.56		-423,005.32	-423,005.32
09/30/2001	GJ-902		BEGINNING BALANCE	19,248.56		-403,756.76	-403,756.76
09/30/2001	GJ-1001		PRIOR PERIOD ADJUSTMENT	27,291.45		-431,048.21	-431,048.21
10/31/2001	GJ-1002		BEGINNING BALANCE	27,291.45		-403,756.76	-403,756.76
10/31/2001	GJ-1101		PRIOR PERIOD ADJUSTMENT	35,172.39		-438,929.15	-438,929.15
11/30/2001	GJ-1102		BEGINNING BALANCE	35,172.39		-403,756.76	-403,756.76
11/30/2001	GJ-1201		PRIOR PERIOD ADJUSTMENT	16,597.20		-420,353.96	-420,353.96
12/31/2001	GJ-1202		BEGINNING BALANCE	16,597.20		-403,756.76	-403,756.76
3120-010	3120 MANAGEMENT FEES						
01/01/2001			Beginning Balance				0.00
01/02/2001	VGLCHKS-Deposit		UAC INSURANCE MUTUAL		111,703.75	-111,703.75	-111,703.75
04/24/2001	VGLCHKS-Deposit		UAC INSURANCE MUTUAL		111,703.75	-223,407.50	-223,407.50
07/23/2001	VGLCHKS-Deposit		UACIM		111,703.75	-335,111.25	-335,111.25
12/18/2001	VGLCHKS-Deposit		UAC INSURANCE MUTUAL		111,703.75	-446,815.00	-446,815.00
3150-010	3150 SWAP DUES						
01/01/2001			Beginning Balance				0.00
01/31/2001	GJ-104				2,332.70	-2,332.70	-2,332.70
02/28/2001	RJ-203		MEMO: RECORD INTEREST EARNINGS		2,577.78	-4,910.48	-4,910.48
03/31/2001	GJ-303		MEMO: RECORD INTEREST EARNINGS		2,176.29	-7,086.77	-7,086.77

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<b>3150-010</b>		<b>3150 SWAP DUES</b>						
	04/30/2001		RJ-403	RECORD INTEREST EARNINGS		1,855.27	-8,942.04	-8,942.04
	05/31/2001		RJ-503	RECORD INTEREST EARNINGS		1,950.48	-10,892.52	-10,892.52
	06/30/2001		GJ-603	RECORD INTEREST EARNINGS		1,597.92	-12,490.44	-12,490.44
	07/31/2001		RJ-703	RECORD INTEREST EARNINGS		1,439.24	-13,929.68	-13,929.68
	08/31/2001		GJ-803	RECORD INTEREST EARNINGS		1,643.07	-15,572.75	-15,572.75
	09/30/2001		GJ-903	RECORD INTEREST EARNINGS		1,402.51	-16,975.26	-16,975.26
	10/31/2001		GJ-1003	RECORD INTEREST EARNINGS		1,190.82	-18,166.08	-18,166.08
	11/30/2001		GJ-1103	RECORD INTEREST EARNINGS		1,012.89	-19,178.97	-19,178.97
	12/31/2001		GJ-1203	RECORD INTEREST EARNINGS		831.26	-20,010.23	-20,010.23
<b>3200-010</b>		<b>3200 TRANSFER FROM PROP &amp; EQUI</b>						
	01/01/2001			Beginning Balance				0.00
	11/26/2001		VGLCHKS-Deposit	DESERT VIEW FEDERAL CREDI		7,900.00	-7,900.00	-7,900.00
				UNION				
<b>4030-010</b>		<b>4030 STAFF SALARIES</b>						
	01/01/2001			Beginning Balance				0.00
	01/11/2001		VGLCHKS-11226	BRADY,M - 000126 - REG	2,583.33		2,583.33	2,583.33
	01/11/2001		VGLCHKS-11231	GUZMAN,S - 000115 - REG	2,890.00		5,473.33	5,473.33
	01/11/2001		VGLCHKS-11235	WHITE,S - 000108 - REG	1,055.06		6,528.39	6,528.39
	01/17/2001		VGLCHKS-11262	GUZMAN,S - 000115 - REG	533.60		7,061.99	7,061.99
	01/17/2001		VGLCHKS-11263	GUZMAN,S - 000115 - REG	533.60		7,595.59	7,595.59
	01/24/2001		VGLCHKS-11273	BRADY,M - 000126 - REG	2,583.33		10,178.92	10,178.92
	01/24/2001		VGLCHKS-11276	GUZMAN,S - 000115 - REG	2,890.00		13,068.92	13,068.92
	01/24/2001		VGLCHKS-11280	WHITE,S - 000108 - REG	1,055.06		14,123.98	14,123.98
	02/12/2001		VGLCHKS-11352	BRADY,M - 000126 - REG	2,583.33		16,707.31	16,707.31
	02/12/2001		VGLCHKS-11357	GUZMAN,S - 000115 - REG	2,890.00		19,597.31	19,597.31
	02/12/2001		VGLCHKS-11361	WHITE,S - 000108 - REG	1,055.06		20,652.37	20,652.37
	02/22/2001		VGLCHKS-11401	BRADY,M - 000126 - REG	2,583.33		23,235.70	23,235.70
	02/22/2001		VGLCHKS-11404	GUZMAN,S - 000115 - REG	2,890.00		26,125.70	26,125.70
	02/22/2001		VGLCHKS-11408	WHITE,S - 000108 - REG	1,055.06		27,180.76	27,180.76
	03/12/2001		VGLCHKS-11434	BRADY,M - 000126 - REG	2,583.33		29,764.09	29,764.09
	03/12/2001		VGLCHKS-11442	WHITE,S - 000108 - REG	1,055.06		30,819.15	30,819.15
	03/26/2001		VGLCHKS-11484	BRADY,M - 000126 - REG	2,583.33		33,402.48	33,402.48
	03/26/2001		VGLCHKS-11491	WHITE,S - 000108 - REG	1,055.06		34,457.54	34,457.54
	04/09/2001		VGLCHKS-11550	BRADY,M - 000126 - REG	2,583.33		37,040.87	37,040.87
	04/09/2001		VGLCHKS-11557	WHITE,S - 000108 - REG	1,055.06		38,095.93	38,095.93
	04/23/2001		VGLCHKS-11584	BRADY,M - 000126 - REG	2,583.33		40,679.26	40,679.26
	04/23/2001		VGLCHKS-11592	WHITE,S - 000108 - REG	1,055.06		41,734.32	41,734.32

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Account Number	Account Description	Source Reference	Transaction Date	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4030-010</b>	<b>4030 STAFF SALARIES</b>							
05/10/2001	VGLCHKS-11640			BRADY,M - 000126 - REG	2,583.33		44,317.65	44,317.65
05/10/2001	VGLCHKS-11647			WHITE,S - 000108 - REG	1,055.06		45,372.71	45,372.71
05/21/2001	VGLCHKS-11667			BRADY,M - 000126 - REG	2,583.33		47,956.04	47,956.04
05/21/2001	VGLCHKS-11675			WHITE,S - 000108 - REG	1,055.06		49,011.10	49,011.10
06/11/2001	VGLCHKS-11744			BRADY,M - 000126 - REG	2,583.33		51,594.43	51,594.43
06/11/2001	VGLCHKS-11752			WHITE,S - 000108 - REG	1,055.06		52,649.49	52,649.49
06/11/2001	VGLCHKS-11753			GUZMAN,S - 000115 - REG	3,044.16		55,693.65	55,693.65
06/26/2001	VGLCHKS-11767			BRADY,M - 000126 - REG	2,583.33		58,276.98	58,276.98
06/26/2001	VGLCHKS-11770			GUZMAN,S - 000115 - REG	3,005.60		61,282.58	61,282.58
06/26/2001	VGLCHKS-11775			WHITE,S - 000108 - REG	1,055.06		62,337.64	62,337.64
06/30/2001	GJ-606			RECLASS CK#S				
				11438,11487,11553,11588,11643				
				11670	17,340.00		79,677.64	79,677.64
07/10/2001	VGLCHKS-11859			BRADY,M - 000126 - REG	2,583.33		82,260.97	82,260.97
07/10/2001	VGLCHKS-11862			GUZMAN,S - 000115 - REG	3,005.60		85,266.57	85,266.57
07/10/2001	VGLCHKS-11865			WHITE,S - 000108 - REG	1,055.06		86,321.63	86,321.63
07/23/2001	VGLCHKS-11876			BRADY,M - 000126 - REG	2,583.33		88,904.96	88,904.96
07/23/2001	VGLCHKS-11878			GUZMAN,S - 000115 - REG	3,005.60		91,910.56	91,910.56
07/25/2001	VGLCHKS-11890			WHITE,S - 000108 - REG	1,097.24		93,007.80	93,007.80
08/13/2001	VGLCHKS-11950			BRADY,M - 000126 - REG	2,583.33		95,591.13	95,591.13
08/13/2001	VGLCHKS-11955			GUZMAN,S - 000115 - REG	3,005.60		98,596.73	98,596.73
08/13/2001	VGLCHKS-11960			WHITE,S - 000108 - REG	1,076.16		99,672.89	99,672.89
08/24/2001	VGLCHKS-11999			BRADY,M - 000126 - REG	2,583.33		102,256.22	102,256.22
08/24/2001	VGLCHKS-12002			GUZMAN,S - 000115 - REG	3,005.60		105,261.82	105,261.82
08/24/2001	VGLCHKS-12007			WHITE,S - 000108 - REG	1,076.16		106,337.98	106,337.98
09/04/2001	VGLCHKS-12041			BRADY,M - 000126 - REG	2,583.33		108,921.31	108,921.31
09/04/2001	VGLCHKS-12042			WHITE,S - 000108 - REG	1,076.16		109,997.47	109,997.47
09/04/2001	VGLCHKS-12077			GUZMAN,S - 000115 - REG	3,005.60		113,003.07	113,003.07
09/27/2001	VGLCHKS-12077			BRADY,M - 000126 - REG	2,583.33		115,586.40	115,586.40
09/27/2001	VGLCHKS-12080			GUZMAN,S - 000115 - REG	3,005.60		118,592.00	118,592.00
09/27/2001	VGLCHKS-12085			WHITE,S - 000108 - REG	1,076.16		119,668.16	119,668.16
10/09/2001	VGLCHKS-12115			BRADY,M - 000126 - REG	2,583.33		122,251.49	122,251.49
10/09/2001	VGLCHKS-12118			GUZMAN,S - 000115 - REG	3,005.60		125,257.09	125,257.09
10/09/2001	VGLCHKS-12123			WHITE,S - 000108 - REG	1,076.16		126,333.25	126,333.25
10/25/2001	VGLCHKS-12184			BRADY,M - 000126 - REG	2,583.33		128,916.58	128,916.58
10/25/2001	VGLCHKS-12187			GUZMAN,S - 000115 - REG	3,005.60		131,922.18	131,922.18
10/25/2001	VGLCHKS-12192			WHITE,S - 000108 - REG	1,076.16		132,998.34	132,998.34

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Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4030-010</b>		<b>4030 STAFF SALARIES</b>						
11/08/2001		VGLCHKS-12224		BRADY,M - 000126 - REG	2,583.33		135,581.67	135,581.67
11/08/2001		VGLCHKS-12228		GUZMAN,S - 000115 - REG	3,005.60		138,587.27	138,587.27
11/08/2001		VGLCHKS-12233		WHITE,S - 000108 - REG	1,076.16		139,663.43	139,663.43
11/26/2001		VGLCHKS-12274		BRADY,M - 000126 - REG	2,583.33		142,246.76	142,246.76
11/26/2001		VGLCHKS-12277		GUZMAN,S - 000115 - REG	3,005.60		145,252.36	145,252.36
11/26/2001		VGLCHKS-12282		WHITE,S - 000108 - REG	1,076.16		146,328.52	146,328.52
12/11/2001		VGLCHKS-12344		BRADY,M - 000126 - REG	2,583.33		148,911.85	148,911.85
12/11/2001		VGLCHKS-12349		GUZMAN,S - 000115 - REG	3,005.60		151,917.45	151,917.45
12/11/2001		VGLCHKS-12354		WHITE,S - 000108 - REG	1,076.16		152,993.61	152,993.61
12/17/2001		VGLCHKS-12356		BRADY,M - 000126 - REG	250.00		153,243.61	153,243.61
12/17/2001		VGLCHKS-12363		GUZMAN,S - 000115 - REG	250.00		153,493.61	153,493.61
12/17/2001		VGLCHKS-12368		WHITE,S - 000108 - REG	175.00		153,668.61	153,668.61
12/21/2001		VGLCHKS-12419		BRADY,M - 000126 - REG	2,583.33		156,251.94	156,251.94
12/21/2001		VGLCHKS-12425		WHITE,S - 000108 - REG	1,076.16		157,328.10	157,328.10
12/21/2001		VGLCHKS-12426		GUZMAN,S - 000115 - REG	3,005.60		160,333.70	160,333.70
12/31/2001		VGLCHKS-3		BRADY,M - 000126 - REG	2,430.00		162,763.70	162,763.70
12/31/2001		VGLCHKS-3		BRADY,M - 000126 - DED - other		2,430.00	160,333.70	160,333.70
12/31/2001		VGLCHKS-4		GUZMAN,S - 000115 - REG	894.00		161,227.70	161,227.70
12/31/2001		VGLCHKS-4		GUZMAN,S - 000115 - DED - othe		894.00	160,333.70	160,333.70
<b>4040-010</b>		<b>4040 TRAINING AND ASSISTANCE</b>						
01/01/2001				Beginning Balance			0.00	0.00
01/10/2001		VGLCHKS-11202		A LA CARTE CATERING	132.38		132.38	132.38
02/06/2001		VGLCHKS-11332		UTAH SAFETY COUNCIL	340.00		472.38	472.38
02/07/2001		VGLCHKS-11341		UTAH SAFETY COUNCIL	150.00		622.38	622.38
03/21/2001		VGLCHKS-Deposit		DAVIS COUNTY		355.00	267.38	267.38
03/21/2001		VGLCHKS-Deposit		CACHE COUNTY		45.00	222.38	222.38
03/27/2001		VGLCHKS-Deposit		DUCHESNE COUNTY		45.00	177.38	177.38
03/27/2001		VGLCHKS-Deposit		JAMES SMITH		40.00	137.38	137.38
03/27/2001		VGLCHKS-Deposit		BEAVER COUNTY		45.00	92.38	92.38
03/27/2001		VGLCHKS-Deposit		DAVIS COUNTY		90.00	2.38	2.38
03/27/2001		VGLCHKS-Deposit		WASHINGTON COUNTY		130.00	-127.62	-127.62
03/27/2001		VGLCHKS-Deposit		WASHINGTON COUNTY		45.00	-172.62	-172.62
03/27/2001		VGLCHKS-Deposit		CARY LISTON		40.00	-212.62	-212.62
03/27/2001		VGLCHKS-Deposit		DAVIS COUNTY		90.00	-302.62	-302.62
04/04/2001		VGLCHKS-Deposit		IRON COUNTY		45.00	-347.62	-347.62
04/04/2001		VGLCHKS-Deposit		KANE COUNTY		45.00	-392.62	-392.62
04/04/2001		VGLCHKS-Deposit		WASHINGTON COUNTY		45.00	-437.62	-437.62

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Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
4040-010		4040 TRAINING AND ASSISTANCE				
04/04/2001	VGLCHKS-Deposit	WEBER COUNTY		45.00	-482.62	-482.62
04/04/2001	VGLCHKS-Deposit	MILLARD COUNTY		225.00	-707.62	-707.62
04/04/2001	VGLCHKS-Deposit	DAVIS COUNTY		90.00	-797.62	-797.62
04/04/2001	VGLCHKS-11520	UTAH SAFETY COUNCIL	38.00		-759.62	-759.62
04/05/2001	VGLCHKS-11529	UTAH SAFETY COUNCIL	230.00		-529.62	-529.62
04/10/2001	VGLCHKS-Deposit	UTAH COUNTY		135.00	-664.62	-664.62
04/10/2001	VGLCHKS-11564	UTAH SHERIFF'S ASSOCIATION	2,000.00		1,335.38	1,335.38
04/13/2001	VGLCHKS-Deposit	CARBON COUNTY		90.00	1,245.38	1,245.38
04/13/2001	VGLCHKS-Deposit	DAVIS COUNTY		45.00	1,200.38	1,200.38
04/13/2001	VGLCHKS-Deposit	WASHINGTON COUNTY		180.00	1,020.38	1,020.38
04/13/2001	VGLCHKS-Deposit	SANPETE COUNTY		45.00	975.38	975.38
04/13/2001	VGLCHKS-Deposit	GRAND COUNTY		90.00	885.38	885.38
04/13/2001	VGLCHKS-Deposit	DAVIS COUNTY		45.00	840.38	840.38
04/13/2001	VGLCHKS-Deposit	UTAH COUNTY		45.00	795.38	795.38
04/16/2001	VGLCHKS-11582	SHAWN GUZMAN	1,250.00		2,045.38	2,045.38
04/24/2001	VGLCHKS-Deposit	SAN JUAN COUNTY		90.00	1,955.38	1,955.38
04/24/2001	VGLCHKS-Deposit	DAGGETT COUNTY		45.00	1,910.38	1,910.38
04/24/2001	VGLCHKS-Deposit	DAVIS COUNTY		45.00	1,865.38	1,865.38
04/24/2001	VGLCHKS-Deposit	UTAH COUNTY		135.00	1,730.38	1,730.38
04/24/2001	VGLCHKS-Deposit	DAVIS COUNTY		225.00	1,505.38	1,505.38
04/24/2001	VGLCHKS-Deposit	EMERY COUNTY		45.00	1,460.38	1,460.38
04/24/2001	VGLCHKS-Deposit	BOX ELDER COUNTY		360.00	1,100.38	1,100.38
04/24/2001	VGLCHKS-11604	MATTHEW BENDER	290.00		1,390.38	1,390.38
05/09/2001	VGLCHKS-Deposit	KENT SUNDBERG		40.00	1,350.38	1,350.38
05/09/2001	VGLCHKS-Deposit	UINTAH COUNTY		45.00	1,305.38	1,305.38
05/09/2001	VGLCHKS-Deposit	LEON JENSEN		40.00	1,265.38	1,265.38
05/09/2001	VGLCHKS-Deposit	ROYAL NORMAN		40.00	1,225.38	1,225.38
05/09/2001	VGLCHKS-Deposit	SUE RODEN		45.00	1,180.38	1,180.38
05/09/2001	VGLCHKS-Deposit	PIUTE COUNTY		90.00	1,090.38	1,090.38
05/09/2001	VGLCHKS-Deposit	WEBER COUNTY		45.00	1,045.38	1,045.38
05/09/2001	VGLCHKS-Deposit	GARFIELD COUNTY		45.00	1,000.38	1,000.38
05/09/2001	VGLCHKS-Deposit	BUD COX		40.00	960.38	960.38
05/09/2001	VGLCHKS-Deposit	DEANNE HESS		45.00	915.38	915.38
05/09/2001	VGLCHKS-Deposit	DUCHESSNE COUNTY		315.00	600.38	600.38
05/15/2001	VGLCHKS-Deposit	SEVIER COUNTY		45.00	555.38	555.38
05/15/2001	VGLCHKS-Deposit	JUAB COUNTY		45.00	510.38	510.38
05/15/2001	VGLCHKS-Deposit	UTAH COUNTY		90.00	420.38	420.38

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<b>4040-010</b>		<b>4040 TRAINING AND ASSISTANCE</b>						
05/31/2001		VGLCHKS-Deposit		DAVIS COUNTY		45.00	375.38	375.38
05/31/2001		VGLCHKS-Deposit		DUCHESNE COUNTY		45.00	330.38	330.38
06/01/2001		VGLCHKS-11693		UTAH SAFETY COUNCIL	175.00		505.38	505.38
06/01/2001		VGLCHKS-11706		SOUTHERN UTAH UNIVERSITY	4,803.50		5,308.88	5,308.88
06/01/2001		VGLCHKS-11719		ABBEY INN	665.30		5,974.18	5,974.18
06/01/2001		VGLCHKS-11720		BOX ELDER COUNTY	45.00		6,019.18	6,019.18
06/13/2001		VGLCHKS-Deposit		DAGGETT COUNTY		45.00	5,974.18	5,974.18
06/13/2001		VGLCHKS-Deposit		DAVIS COUNTY		45.00	5,929.18	5,929.18
06/13/2001		VGLCHKS-Deposit		DUCHESNE COUNTY		136.00	5,793.18	5,793.18
06/26/2001		VGLCHKS-Deposit		RICH COUNTY		45.00	5,748.18	5,748.18
06/26/2001		VGLCHKS-11778		UTAH SAFETY COUNCIL	700.00		6,448.18	6,448.18
07/04/2001		VGLCHKS-11858		ATTORNEY GENERAL'S OFFICE	70.00		6,518.18	6,518.18
08/27/2001		VGLCHKS-12012		UTAH SAFETY COUNCIL	2,625.00		9,143.18	9,143.18
09/07/2001		VGLCHKS-12060		UTAH SAFETY COUNCIL	175.00		9,318.18	9,318.18
09/27/2001		VGLCHKS-12101		UTAH SAFETY COUNCIL	175.00		9,493.18	9,493.18
10/18/2001		VGLCHKS-12132		SHAWN GUZMAN	178.45		9,671.63	9,671.63
10/25/2001		VGLCHKS-12173		A LA CARTE CATERING	132.66		9,804.29	9,804.29
10/25/2001		VGLCHKS-12178		UAC INSURANCE MUTUAL	745.00		10,549.29	10,549.29
10/25/2001		VGLCHKS-12180		UTAH SAFETY COUNCIL	1,102.50		11,651.79	11,651.79
11/02/2001		VGLCHKS-12202		THE DIXIE CENTER	147.50		11,799.29	11,799.29
11/29/2001		VGLCHKS-12295		JOE'S TROPHIES & GIFTS	203.55		12,002.84	12,002.84
11/29/2001		VGLCHKS-12317		SAN JUAN COUNTY	500.00		12,502.84	12,502.84
12/20/2001		VGLCHKS-12394		AMERICAN TRAINING RESOURCES, INC	595.00		13,097.84	13,097.84
<b>4070-010</b>		<b>4070 MANAGEMENT FEE</b>						
01/01/2001		Beginning Balance						
12/31/2001		ADJUST PER BUDGET			15,000.00		15,000.00	15,000.00
<b>4090-010</b>		<b>4090 ACCOUNTING/AUDITING</b>						
01/01/2001		Beginning Balance						
02/16/2001		VGLCHKS-11386		ROBISON, HILL & CO	75.00		75.00	75.00
04/10/2001		VGLCHKS-11568		ROBISON, HILL & CO	100.00		175.00	175.00
06/01/2001		VGLCHKS-11704		ROBISON, HILL & CO	100.00		275.00	275.00
07/02/2001		VGLCHKS-11812		ROBISON, HILL & CO	50.00		325.00	325.00
07/30/2001		VGLCHKS-11921		ROBISON, HILL & CO	1,092.00		1,417.00	1,417.00
07/30/2001		VGLCHKS-11921		ROBISON, HILL & CO	50.00		1,467.00	1,467.00
08/22/2001		VGLCHKS-11969		ROBISON, HILL & CO	37.50		1,504.50	1,504.50
09/06/2001		VGLCHKS-12045		ROBISON, HILL & CO	50.00		1,554.50	1,554.50

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Account Number	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
4090-010	4090 ACCOUNTING/AUDITING						
11/29/2001	VGLCHKS-12311		ROBISON, HILL & CO	150.00		1,704.50	1,704.50
4170-010	4170 AUTOMOBILE EXPENSE						
01/01/2001			Beginning Balance				0.00
01/09/2001	VGLCHKS-11196		AON ENTERPRISE INSURANCE				
			SERVICE	2,849.60			
01/24/2001	VGLCHKS-11272		MARK BRADY	196.37		2,849.60	2,849.60
01/31/2001	VGLCHKS-11304		SHAWN GUZMAN	434.17		3,045.97	3,045.97
02/06/2001	VGLCHKS-11336		BANKCARD CENTER	33.84		3,480.14	3,480.14
02/28/2001	RJ-205				307.20	3,513.98	3,513.98
03/09/2001	VGLCHKS-11425		BANKCARD CENTER	149.47		3,206.78	3,206.78
03/09/2001	VGLCHKS-11426		BANKCARD CENTER	247.72		3,356.25	3,356.25
05/08/2001	VGLCHKS-11612		WELLS FARGO CARD SERVICE	500.00		3,603.97	3,603.97
05/14/2001	VGLCHKS-11664		BUTTERFIELD FORD	20,126.00		4,103.97	4,103.97
05/21/2001	VGLCHKS-11680		SHAWN GUZMAN	376.27		24,229.97	24,229.97
05/31/2001	RJ-506		TO CAPITALIZE AUTO		20,126.00	24,606.24	24,606.24
06/07/2001	VGLCHKS-11735		UTAH STATE TAX COMMISSION	188.50		4,480.24	4,480.24
06/07/2001	VGLCHKS-11741		WELLS FARGO CARD SERVICE	26.73		4,668.74	4,668.74
07/02/2001	VGLCHKS-11804		AON ENTERPRISE INSURANCE			4,695.47	4,695.47
			SERVICE	863.00			
07/11/2001	VGLCHKS-11872		SHAWN GUZMAN	336.04		5,558.47	5,558.47
07/30/2001	VGLCHKS-11914		AMERICAN EXPRESS	153.59		5,894.51	5,894.51
08/23/2001	VGLCHKS-11984		WF BUSINESS PAYMENT			6,048.10	6,048.10
			PROCESSING	10.01		6,058.11	6,058.11
08/23/2001	VGLCHKS-11985		WF BUSINESS PAYMENT				
			PROCESSING	39.43		6,097.54	6,097.54
08/23/2001	VGLCHKS-11989		AMERICAN EXPRESS	43.60		6,141.14	6,141.14
08/27/2001	VGLCHKS-12014		MARK BRADY	146.28		6,287.42	6,287.42
08/31/2001	VGLCHKS-Deposit		STATE FARM INSURANCE		531.50	5,755.92	5,755.92
08/31/2001	RJ-810			141.50		5,897.42	5,897.42
09/07/2001	VGLCHKS-12057		WF BUSINESS PAYMENT				
			PROCESSING	15.36		5,912.78	5,912.78
09/11/2001	VGLCHKS-12068		SHAWN GUZMAN	180.00		6,092.78	6,092.78
09/27/2001	VGLCHKS-12087		SHAWN GUZMAN	161.19		6,253.97	6,253.97
10/18/2001	VGLCHKS-12132		SHAWN GUZMAN	94.32		6,348.29	6,348.29
10/19/2001	VGLCHKS-12138		WF BUSINESS PAYMENT				
			PROCESSING	25.87		6,374.16	6,374.16
10/19/2001	VGLCHKS-12139		WF BUSINESS PAYMENT				
			PROCESSING	299.63		6,673.79	6,673.79

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Account Number	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4170-010</b>	<b>4170 AUTOMOBILE EXPENSE</b>						
10/24/2001	VGLCHKS-12170		AMERICAN EXPRESS	134.40		6,808.19	6,808.19
11/06/2001	VGLCHKS-12219		SHAWN GUZMAN	81.96		6,890.15	6,890.15
11/08/2001	VGLCHKS-12239		WF BUSINESS PAYMENT PROCESSING	24.00		6,914.15	6,914.15
11/08/2001	VGLCHKS-12240		WF BUSINESS PAYMENT PROCESSING	79.65		6,993.80	6,993.80
11/21/2001	VGLCHKS-12269		SHAWN GUZMAN	66.56		7,060.36	7,060.36
11/26/2001	VGLCHKS-Deposit		TRAVELERS INS		345.50	6,714.86	6,714.86
12/04/2001	VGLCHKS-12321		AMERICAN EXPRESS	111.80		6,826.66	6,826.66
12/17/2001	VGLCHKS-12373		MARK BRADY	369.30		7,195.96	7,195.96
12/19/2001	VGLCHKS-12391		WF BUSINESS PAYMENT PROCESSING	39.43		7,235.39	7,235.39
12/20/2001	VGLCHKS-12397		AMERICAN EXPRESS	109.00		7,344.39	7,344.39
<b>4280-010</b>	<b>4280 OTHER</b>						
01/01/2001			Beginning Balance			900.00	0.00
12/17/2001	VGLCHKS-12370		RALSTON CONSULTING GROU	900.00			900.00
<b>4290-010</b>	<b>4290 BOARD EXPENSE</b>						
01/01/2001			Beginning Balance				0.00
01/09/2001	VGLCHKS-11195		LAVAR COX	107.25		107.25	107.25
01/09/2001	VGLCHKS-11199		KENT SUNDBERG	48.75		156.00	156.00
01/30/2001	VGLCHKS-11289		TEX OLSEN	255.30		411.30	411.30
01/30/2001	VGLCHKS-11290		LYNN LEMON	112.47		523.77	523.77
01/30/2001	VGLCHKS-11291		KENNETH A BISCHOFF	31.05		554.82	554.82
01/30/2001	VGLCHKS-11293		TY LEWIS	203.55		758.37	758.37
01/30/2001	VGLCHKS-11294		TY LEWIS	224.94		983.31	983.31
01/30/2001	VGLCHKS-11295		DAN MCCONKIE - 000044	21.39		1,004.70	1,004.70
01/30/2001	VGLCHKS-11296		GARY HERBERT	23.46		1,028.16	1,028.16
01/30/2001	VGLCHKS-11297		GARY HERBERT	33.81		1,061.97	1,061.97
01/30/2001	VGLCHKS-11299		KAY BLACKWELL	124.20		1,186.17	1,186.17
01/30/2001	VGLCHKS-11300		ROYAL NORMAN	86.94		1,273.11	1,273.11
01/30/2001	VGLCHKS-11301		KENT SUNDBERG	34.50		1,307.61	1,307.61
02/06/2001	VGLCHKS-11307		UAC INSURANCE MUTUAL	3,708.00		5,015.61	5,015.61
02/06/2001	VGLCHKS-11310		A LA CARTE CATERING	193.57		5,209.18	5,209.18
02/06/2001	VGLCHKS-11310		A LA CARTE CATERING	519.91		5,729.09	5,729.09
02/06/2001	VGLCHKS-11326		NEWSPAPER AGENCY CORP	770.80		6,499.89	6,499.89
02/16/2001	VGLCHKS-11373		KENNETH A BISCHOFF	31.05		6,530.94	6,530.94
02/16/2001	VGLCHKS-11374		KENT SUNDBERG	34.50		6,565.44	6,565.44

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<b>4290-010</b>		<b>4290 BOARD EXPENSE</b>						
02/16/2001		VGLCHKS-11375		ROYAL NORMAN	49.68		6,615.12	6,615.12
02/16/2001		VGLCHKS-11376		KAY BLACKWELL	141.45		6,756.57	6,756.57
02/16/2001		VGLCHKS-11377		TEX OLSEN	113.85		6,870.42	6,870.42
02/16/2001		VGLCHKS-11378		LYNN LEMON	60.72		6,931.14	6,931.14
02/16/2001		VGLCHKS-11379		LAVAR COX	94.88		7,026.02	7,026.02
02/16/2001		VGLCHKS-11380		A LA CARTE CATERING	193.57		7,219.59	7,219.59
02/16/2001		VGLCHKS-11381		A LA CARTE CATERING	132.38		7,351.97	7,351.97
02/16/2001		VGLCHKS-11381		GARY HERBERT	27.60		7,379.57	7,379.57
03/13/2001		VGLCHKS-11459		A LA CARTE CATERING	132.38		7,511.95	7,511.95
04/04/2001		VGLCHKS-11508		KAY BLACKWELL	104.88		7,616.83	7,616.83
04/04/2001		VGLCHKS-11509		LYNN LEMON	268.41		7,885.24	7,885.24
04/04/2001		VGLCHKS-11510		DAN MCCONKIE - 000044	224.94		8,110.18	8,110.18
04/04/2001		VGLCHKS-11511		LAVAR COX	103.50		8,213.68	8,213.68
04/04/2001		VGLCHKS-11512		ROYAL NORMAN	246.82		8,460.50	8,460.50
04/04/2001		VGLCHKS-11513		GARY HERBERT	188.03		8,648.53	8,648.53
04/04/2001		VGLCHKS-11514		TEX OLSEN	117.30		8,765.83	8,765.83
04/04/2001		VGLCHKS-11515		KENT SUNDBERG	186.30		8,952.13	8,952.13
04/04/2001		VGLCHKS-11525		A LA CARTE CATERING	132.38		9,084.51	9,084.51
04/10/2001		VGLCHKS-11566		ABBEY INN	575.00		9,659.51	9,659.51
05/09/2001		VGLCHKS-11622		ABBEY INN	165.00		9,824.51	9,824.51
06/01/2001		VGLCHKS-11709		LAVAR COX	93.15		9,917.66	9,917.66
06/01/2001		VGLCHKS-11710		TY LEWIS	203.55		10,121.21	10,121.21
06/01/2001		VGLCHKS-11711		DAN MCCONKIE - 000044	21.39		10,142.60	10,142.60
06/01/2001		VGLCHKS-11712		KAY BLACKWELL	131.10		10,273.70	10,273.70
06/01/2001		VGLCHKS-11713		ROYAL NORMAN	51.06		10,324.76	10,324.76
06/01/2001		VGLCHKS-11714		KENT SUNDBERG	34.50		10,359.26	10,359.26
06/01/2001		VGLCHKS-11715		TEX OLSEN	113.85		10,473.11	10,473.11
06/01/2001		VGLCHKS-11717		A LA CARTE CATERING	214.44		10,687.55	10,687.55
06/01/2001		VGLCHKS-11717		A LA CARTE CATERING	163.33		10,850.88	10,850.88
06/01/2001		VGLCHKS-11729		LYNN LEMON	62.10		10,912.98	10,912.98
07/26/2001		VGLCHKS-11898		KENT SUNDBERG	34.50		10,947.48	10,947.48
07/26/2001		VGLCHKS-11899		ROYAL NORMAN	49.68		10,997.16	10,997.16
07/26/2001		VGLCHKS-11900		ED PHILLIPS	106.95		11,104.11	11,104.11
07/26/2001		VGLCHKS-11901		TEX OLSEN	113.85		11,217.96	11,217.96
07/26/2001		VGLCHKS-11902		LYNN LEMON	62.10		11,280.06	11,280.06
07/26/2001		VGLCHKS-11903		KAY BLACKWELL	131.10		11,411.16	11,411.16
07/26/2001		VGLCHKS-11904		A LA CARTE CATERING	194.00		11,605.16	11,605.16

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Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4290-010</b>		<b>4290 BOARD EXPENSE</b>						
	07/26/2001	VGLCHKS-11906		A LA CARTE CATERING	132.66		11,737.82	11,737.82
	07/31/2001	VGLCHKS-11929		BEST WESTERN ABBEY INN	224.22		11,962.04	11,962.04
	08/23/2001	VGLCHKS-11978		A LA CARTE CATERING	353.56		12,315.60	12,315.60
	08/24/2001	VGLCHKS-11991		DAN MCCONKIE - 000044	21.39		12,336.99	12,336.99
	08/24/2001	VGLCHKS-11992		GARY HERBERT	24.15		12,361.14	12,361.14
	08/24/2001	VGLCHKS-11993		TEX OLSEN	113.85		12,474.99	12,474.99
	08/24/2001	VGLCHKS-11994		KENT SUNDBERG	34.50		12,509.49	12,509.49
	08/24/2001	VGLCHKS-11995		LYNN LEMON	62.10		12,571.59	12,571.59
	08/24/2001	VGLCHKS-11996		TY LEWIS	203.55		12,775.14	12,775.14
	08/24/2001	VGLCHKS-11997		LAVAR COX	96.60		12,871.74	12,871.74
	08/24/2001	VGLCHKS-11998		ROYAL NORMAN	51.06		12,922.80	12,922.80
	10/24/2001	VGLCHKS-12155		TEX OLSEN	113.85		13,036.65	13,036.65
	10/24/2001	VGLCHKS-12157		TY LEWIS	172.50		13,209.15	13,209.15
	10/24/2001	VGLCHKS-12158		KENNETH A BISCHOFF	51.75		13,260.90	13,260.90
	10/24/2001	VGLCHKS-12159		LYNN LEMON	86.94		13,347.84	13,347.84
	10/24/2001	VGLCHKS-12160		KENT SUNDBERG	0.06		13,347.90	13,347.90
	10/24/2001	VGLCHKS-12161		KAY BLACKWELL	103.50		13,451.40	13,451.40
	10/24/2001	VGLCHKS-12162		ROYAL NORMAN	73.14		13,524.54	13,524.54
	11/29/2001	VGLCHKS-12312		GLYPHICS COMMUNICATIONS	60.58		13,585.12	13,585.12
	12/04/2001	VGLCHKS-12321		AMERICAN EXPRESS	149.17		13,734.29	13,734.29
	12/11/2001	VGLCHKS-12340		JEAN EVANS - 000047	250.00		13,984.29	13,984.29
	12/19/2001	VGLCHKS-12380		GARY HERBERT	24.15		14,008.44	14,008.44
	12/19/2001	VGLCHKS-12381		DAN MCCONKIE - 000044	21.39		14,029.83	14,029.83
	12/19/2001	VGLCHKS-12382		STEVEN C WALL	113.85		14,143.68	14,143.68
	12/19/2001	VGLCHKS-12383		ROYAL NORMAN	49.68		14,193.36	14,193.36
	12/19/2001	VGLCHKS-12384		KENT SUNDBERG	34.50		14,227.86	14,227.86
	12/19/2001	VGLCHKS-12385		LYNN LEMON	62.10		14,289.96	14,289.96
	12/19/2001	VGLCHKS-12386		TEX OLSEN	113.85		14,403.81	14,403.81
	12/19/2001	VGLCHKS-12387		LAVAR COX	96.60		14,500.41	14,500.41
	12/19/2001	VGLCHKS-12388		KAY BLACKWELL	131.10		14,631.51	14,631.51
	12/19/2001	VGLCHKS-12389		GENE ROUNDY	180.78		14,812.29	14,812.29
	12/20/2001	VGLCHKS-12397		AMERICAN EXPRESS	84.97		14,897.26	14,897.26
	12/20/2001	VGLCHKS-12404		A LA CARTE CATERING	214.44		15,111.70	15,111.70
	12/21/2001	VGLCHKS-12414		PAPER DIRECT	137.91		15,249.61	15,249.61
<b>4300-010</b>		<b>4300 DATA PROCESSING</b>						
	01/01/2001			Beginning Balance				0.00
	01/10/2001	VGLCHKS-11207		CYBERWIRE, INC	12.00		12.00	12.00

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Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4300-010</b>		<b>4300 DATA PROCESSING</b>						
	01/11/2001	VGLCHKS-11219		CYBERWIRE, INC	70.00		82.00	82.00
	02/06/2001	VGLCHKS-11320		CYBERWIRE, INC	10.00		92.00	92.00
	02/06/2001	VGLCHKS-11322		RMC INTERNET SERVICES	20.00		112.00	112.00
	03/09/2001	VGLCHKS-11430		CYBERWIRE, INC	24.47		136.47	136.47
	03/19/2001	VGLCHKS-11480		TCNS, INC	418.34		554.81	554.81
	04/04/2001	VGLCHKS-11523		CYBERWIRE, INC	22.02		576.83	576.83
	04/24/2001	VGLCHKS-11607		TCNS, INC	516.71		1,093.54	1,093.54
	05/09/2001	VGLCHKS-11620		CYBERWIRE, INC	56.00		1,149.54	1,149.54
	05/10/2001	VGLCHKS-11632		CYBERWIRE, INC	19.58		1,169.12	1,169.12
	05/10/2001	VGLCHKS-11635		AMERICAN EXPRESS	133.24		1,302.36	1,302.36
	06/01/2001	VGLCHKS-11688		CYBERWIRE, INC	19.58		1,321.94	1,321.94
	07/02/2001	VGLCHKS-11807		CYBERWIRE, INC	19.58		1,341.52	1,341.52
	07/03/2001	VGLCHKS-11843		TCNS, INC	1,068.48		2,410.00	2,410.00
	07/31/2001	VGLCHKS-11943		CYBERWIRE, INC	19.58		2,429.58	2,429.58
	08/23/2001	VGLCHKS-11989		AMERICAN EXPRESS	12.94		2,442.52	2,442.52
	09/06/2001	VGLCHKS-12047		CYBERWIRE, INC	19.58		2,462.10	2,462.10
	09/07/2001	VGLCHKS-12050		TCNS, INC	770.84		3,232.94	3,232.94
	09/27/2001	VGLCHKS-12093		CYBERWIRE, INC	24.00		3,256.94	3,256.94
	10/19/2001	VGLCHKS-12141		TCNS, INC	335.52		3,592.46	3,592.46
	10/19/2001	VGLCHKS-12145		CYBERWIRE, INC	32.00		3,624.46	3,624.46
	10/25/2001	VGLCHKS-12171		CYBERWIRE, INC	39.16		3,663.62	3,663.62
	11/08/2001	VGLCHKS-12250		TCNS, INC	1,103.84		4,767.46	4,767.46
	11/21/2001	VGLCHKS-12270		CYBERWIRE, INC	95.58		4,863.04	4,863.04
	12/20/2001	VGLCHKS-12397		AMERICAN EXPRESS	249.81		5,112.85	5,112.85
<b>4310-010</b>		<b>4310 STAFF EXPENSE</b>						
	01/01/2001			Beginning Balance			0.00	0.00
	01/11/2001	VGLCHKS-11211		GUZMAN, S - 000115 - REG	180.00		180.00	180.00
	01/11/2001	VGLCHKS-11211		GUZMAN, S - 000115 - DED - othe	120.00		300.00	300.00
	01/11/2001	VGLCHKS-11222		BANKCARD CENTER	375.00		675.00	675.00
	01/11/2001	VGLCHKS-11223		BANKCARD CENTER	98.20		773.20	773.20
	01/23/2001	VGLCHKS-Deposit		NATIONAL ASSOCIATION OF COUNTIES		130.00		
	01/24/2001	VGLCHKS-11273		BRADY, M - 000126 - DED - other	360.00		643.20	643.20
	01/24/2001	VGLCHKS-11273		BRADY, M - 000126 - REG	225.00		1,003.20	1,003.20
	01/31/2001	VGLCHKS-11304		SHAWN GUZMAN	1,201.96		1,228.20	1,228.20
	02/06/2001	VGLCHKS-11333		HUDDART FLORAL	63.70		2,430.16	2,430.16
	02/06/2001	VGLCHKS-11335		BANKCARD CENTER	237.50		2,493.86	2,493.86
							2,731.36	2,731.36

**UTAH ASSOCIATION OF COUNTIES**  
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**Fund 10 - UACIM**

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
4310-010		4310 STAFF EXPENSE						
02/06/2001		VGLCHKS-11336		BANKCARD CENTER	211.35		2,942.71	2,942.71
02/12/2001		VGLCHKS-11362		MARK BRADY	418.97		3,361.68	3,361.68
02/14/2001		VGLCHKS-11368		MARK BRADY	60.00		3,421.68	3,421.68
02/22/2001		VGLCHKS-11410		GUZMAN,S - 000115 - REG	135.00		3,556.68	3,556.68
02/22/2001		VGLCHKS-11410		GUZMAN,S - 000115 - DED - othe	90.00		3,646.68	3,646.68
03/09/2001		VGLCHKS-11425		BANKCARD CENTER	70.62		3,717.30	3,717.30
03/09/2001		VGLCHKS-11426		BANKCARD CENTER	146.60		3,863.90	3,863.90
03/09/2001		VGLCHKS-11426		BANKCARD CENTER	129.27		3,993.17	3,993.17
03/12/2001		VGLCHKS-11438		GUZMAN,S - 000115 - REG	2,890.00		6,883.17	6,883.17
03/12/2001		VGLCHKS-11450		J REUBEN CLARK LAW SCHOO	75.50		6,958.67	6,958.67
03/13/2001		VGLCHKS-11451		J REUBEN CLARK LAW SCHOO	75.50		7,034.17	7,034.17
03/13/2001		VGLCHKS-11455		HUDDART FLORAL	31.85		7,066.02	7,066.02
03/13/2001		VGLCHKS-11473		AMERICAN EXPRESS	31.42		7,097.44	7,097.44
03/19/2001		VGLCHKS-11476		MARK BRADY	120.00		7,217.44	7,217.44
03/19/2001		VGLCHKS-11476		MARK BRADY	98.75		7,316.19	7,316.19
03/19/2001		VGLCHKS-11477		SONYA WHITE	275.97		7,592.16	7,592.16
03/19/2001		VGLCHKS-11481		SHAWN GUZMAN	90.00		7,682.16	7,682.16
03/21/2001		VGLCHKS-Deposit		PUBLIC ENTITY RISK INSTITUT		1,000.00	6,682.16	6,682.16
03/26/2001		VGLCHKS-11487		GUZMAN,S - 000115 - REG	2,890.00		9,572.16	9,572.16
04/05/2001		VGLCHKS-11527		HUDDART FLORAL	53.07		9,625.23	9,625.23
04/05/2001		VGLCHKS-11537		BANKCARD CENTER	148.11		9,773.34	9,773.34
04/05/2001		VGLCHKS-11538		BANKCARD CENTER	30.83		9,804.17	9,804.17
04/09/2001		VGLCHKS-11542		SONYA WHITE	300.78		10,104.95	10,104.95
04/09/2001		VGLCHKS-11546		MARK BRADY	120.00		10,224.95	10,224.95
04/09/2001		VGLCHKS-11547		SHAWN GUZMAN	90.00		10,314.95	10,314.95
04/09/2001		VGLCHKS-11553		GUZMAN,S - 000115 - REG	2,890.00		13,204.95	13,204.95
04/10/2001		VGLCHKS-11559		SHAWN GUZMAN	950.31		14,155.26	14,155.26
04/10/2001		VGLCHKS-11566		ABBIE INN	206.96		14,362.22	14,362.22
04/23/2001		VGLCHKS-11588		GUZMAN,S - 000115 - REG	2,890.00		17,252.22	17,252.22
04/23/2001		VGLCHKS-11597		AMERICAN EXPRESS	935.00		18,187.22	18,187.22
05/08/2001		VGLCHKS-11612		WELLS FARGO CARD SERVICE	500.00		18,687.22	18,687.22
05/08/2001		VGLCHKS-11615		WELLS FARGO CARD SERVICE	519.98		19,207.20	19,207.20
05/10/2001		VGLCHKS-11627		HUDDART FLORAL	61.74		19,268.94	19,268.94
05/10/2001		VGLCHKS-11643		GUZMAN,S - 000115 - REG	2,890.00		22,158.94	22,158.94
05/21/2001		VGLCHKS-11670		GUZMAN,S - 000115 - REG	2,890.00		25,048.94	25,048.94
05/21/2001		VGLCHKS-11680		SHAWN GUZMAN	1,245.51		26,294.45	26,294.45
06/01/2001		VGLCHKS-11700		MARK BRADY	346.44		26,640.89	26,640.89

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Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
4310-010		4310 STAFF EXPENSE						
06/01/2001		VGLCHKS-11732		GUZMAN,S - 000115 - DED - othe	240.00		26,880.89	26,880.89
06/01/2001		VGLCHKS-11732		GUZMAN,S - 000115 - REG	360.00		27,240.89	27,240.89
06/01/2001		VGLCHKS-11733		WHITE,S - 000108 - REG	252.00		27,492.89	27,492.89
06/01/2001		VGLCHKS-11733		WHITE,S - 000108 - DED - other	168.00		27,660.89	27,660.89
06/07/2001		VGLCHKS-11741		WELLS FARGO CARD SERVICE	30.70		27,691.59	27,691.59
06/27/2001		VGLCHKS-11794		SONYA WHITE	256.32		27,947.91	27,947.91
06/30/2001		GJ-606		RECLASS CK#S				
				11438,11487,11553,11588,11643				
				.11670		17,340.00		
07/02/2001		VGLCHKS-11799		MARK BRADY	201.36		10,607.91	10,607.91
07/03/2001		VGLCHKS-11845		WELLS FARGO CARD SERVICE	12.97		10,809.27	10,809.27
07/11/2001		VGLCHKS-11872		SHAWN GUZMAN	2,983.78		10,822.24	10,822.24
07/23/2001		VGLCHKS-11885		WHITE,S - 000108 - REG	157.50		13,806.02	13,806.02
07/23/2001		VGLCHKS-11885		WHITE,S - 000108 - DED - other	105.00		13,963.52	13,963.52
07/26/2001		VGLCHKS-11908		SNELLING PERSONNEL SERVI	195.84		14,068.52	14,068.52
07/31/2001		VGLCHKS-11930		SNELLING PERSONNEL SERVI	48.96		14,264.36	14,264.36
07/31/2001		VGLCHKS-11939		HUDDART FLORAL	38.29		14,313.32	14,313.32
08/22/2001		VGLCHKS-11977		HUDDART FLORAL	31.94		14,351.61	14,351.61
08/23/2001		VGLCHKS-11984		WF BUSINESS PAYMENT			14,383.55	14,383.55
08/23/2001		VGLCHKS-11985		PROCESSING	154.90		14,538.45	14,538.45
08/23/2001		VGLCHKS-11988		WF BUSINESS PAYMENT				
08/27/2001		VGLCHKS-12014		HR DIRECT	71.84		14,610.29	14,610.29
09/07/2001		VGLCHKS-12057		MARK BRADY	15.60		14,625.89	14,625.89
09/07/2001		VGLCHKS-12058		WF BUSINESS PAYMENT	297.09		14,922.98	14,922.98
09/07/2001		VGLCHKS-12058		PROCESSING	57.08		14,980.06	14,980.06
09/07/2001		VGLCHKS-12059		WF BUSINESS PAYMENT				
09/10/2001		VGLCHKS-12064		PROCESSING	202.58		15,182.64	15,182.64
09/10/2001		VGLCHKS-12064		SHAWN GUZMAN	120.00		15,302.64	15,302.64
09/10/2001		VGLCHKS-12065		SHAWN GUZMAN	90.00		15,392.64	15,392.64
09/11/2001		VGLCHKS-12068		MARK BRADY	60.00		15,452.64	15,452.64
10/18/2001		VGLCHKS-12132		SHAWN GUZMAN	248.33		15,700.97	15,700.97
10/19/2001		VGLCHKS-12138		SHAWN GUZMAN	180.00		15,880.97	15,880.97
10/19/2001		VGLCHKS-12139		WF BUSINESS PAYMENT				
10/19/2001		VGLCHKS-12139		PROCESSING	225.34		16,106.31	16,106.31
10/19/2001		VGLCHKS-12139		WF BUSINESS PAYMENT				
10/19/2001		VGLCHKS-12139		PROCESSING	211.29		16,317.60	16,317.60

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<b>4310-010</b>		<b>4310 STAFF EXPENSE</b>						
	11/06/2001	VGLCHKS-12204		HUDDART FLORAL	31.92		16,349.52	16,349.52
	11/06/2001	VGLCHKS-12209		SHAWN GUZMAN	150.00		16,499.52	16,499.52
	11/06/2001	VGLCHKS-12210		MARK BRADY	150.00		16,649.52	16,649.52
	11/06/2001	VGLCHKS-12212		SONYA WHITE	369.42		17,018.94	17,018.94
	11/06/2001	VGLCHKS-12219		SHAWN GUZMAN	60.00		17,078.94	17,078.94
	11/08/2001	VGLCHKS-12239		WF BUSINESS PAYMENT PROCESSING	321.47		17,400.41	17,400.41
	11/08/2001	VGLCHKS-12240		WF BUSINESS PAYMENT PROCESSING	140.98		17,541.39	17,541.39
	11/27/2001	VGLCHKS-12284		GUZMAN,S - 000115 - DED - othe	60.00		17,601.39	17,601.39
	11/27/2001	VGLCHKS-12284		GUZMAN,S - 000115 - REG	90.00		17,691.39	17,691.39
	12/17/2001	VGLCHKS-12373		MARK BRADY	510.00		18,201.39	18,201.39
	12/19/2001	VGLCHKS-12390		WF BUSINESS PAYMENT PROCESSING	104.92		18,306.31	18,306.31
	12/19/2001	VGLCHKS-12391		WF BUSINESS PAYMENT PROCESSING	164.19		18,470.50	18,470.50
	12/20/2001	VGLCHKS-12398		SONYA WHITE	186.92		18,657.42	18,657.42
<b>4400-010</b>		<b>4400 DEBT SERVICE</b>						
	01/01/2001	VGLCHKS-11606		Beginning Balance			0.00	0.00
	04/24/2001	RJ-410		ZIONS BANK	38,090.72		38,090.72	38,090.72
	04/30/2001			ADJUST PRINCIPAL PAYMENT		24,000.00	14,090.72	14,090.72
	10/24/2001	VGLCHKS-12166		ZIONS BANK	14,308.05		28,398.77	28,398.77
<b>4410-010</b>		<b>4410 BUILDING MAINT &amp; OPER</b>						
	01/01/2001			Beginning Balance			0.00	0.00
	01/09/2001	VGLCHKS-11197		WINGFOOT CORPORATION	162.78		162.78	162.78
	01/11/2001	VGLCHKS-11221		BROWNING-FERRIS INDUSTRIE	16.06		178.84	178.84
	01/12/2001	VGLCHKS-11238		F&S PROPERTY MAINTENANCE	75.00		253.84	253.84
	01/16/2001	VGLCHKS-11241		MURRAY CITY UTILITIES	218.93		472.77	472.77
	02/06/2001	VGLCHKS-11316		JENSON LIGHTING MAINTENAN	60.68		533.45	533.45
	02/06/2001	VGLCHKS-11318		H&R SALES	80.58		614.03	614.03
	02/06/2001	VGLCHKS-11321		H&R SALES	26.42		640.45	640.45
	02/07/2001	VGLCHKS-11342		F&S PROPERTY MAINTENANCE	82.50		722.95	722.95
	02/07/2001	VGLCHKS-11345		BROWNING-FERRIS INDUSTRIE	16.06		739.01	739.01
	02/16/2001	VGLCHKS-11384		MURRAY CITY UTILITIES	188.92		927.93	927.93
	02/16/2001	VGLCHKS-11385		WINGFOOT CORPORATION	162.78		1,090.71	1,090.71
	03/09/2001	VGLCHKS-11424		BANKCARD CENTER	143.90		1,234.61	1,234.61
	03/09/2001	VGLCHKS-11428		MURRAY CITY UTILITIES	191.00		1,425.61	1,425.61

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<b>4410-010</b>	<b>4410 BUILDING MAINT &amp; OPER</b>							
03/13/2001	VGLCHKS-11452			JENSON REFRIGERATION, INC	146.98		1,572.59	1,572.59
03/13/2001	VGLCHKS-11456			ADT SECURITY SERVICES	23.74		1,596.33	1,596.33
03/13/2001	VGLCHKS-11461			ALLSCAPE	25.50		1,621.83	1,621.83
03/13/2001	VGLCHKS-11464			BROWNING-FERRIS INDUSTRIE	16.06		1,637.89	1,637.89
03/13/2001	VGLCHKS-11468			WINGFOOT CORPORATION	162.78		1,800.67	1,800.67
03/31/2001	GJ-305				114.00		1,914.67	1,914.67
04/04/2001	VGLCHKS-11505			JENSON LIGHTING MAINTENAN	284.04		2,198.71	2,198.71
04/04/2001	VGLCHKS-11521			H&R SALES	14.36		2,213.07	2,213.07
04/05/2001	VGLCHKS-11526			UTAH LABOR COMMISSION	25.50		2,238.57	2,238.57
04/05/2001	VGLCHKS-11530			F&S PROPERTY MAINTENANCE	75.00		2,313.57	2,313.57
04/05/2001	VGLCHKS-11535			BANKCARD CENTER	7.04		2,320.61	2,320.61
04/10/2001	VGLCHKS-11565			BROWNING-FERRIS INDUSTRIE	16.06		2,336.67	2,336.67
04/10/2001	VGLCHKS-11567			MURRAY CITY UTILITES	188.25		2,524.92	2,524.92
04/10/2001	VGLCHKS-11573			H&R SALES	40.60		2,565.52	2,565.52
04/13/2001	VGLCHKS-11576			WINGFOOT CORPORATION	162.78		2,728.30	2,728.30
04/24/2001	VGLCHKS-11601			F&S PROPERTY MAINTENANCE	46.80		2,775.10	2,775.10
04/30/2001	VGLCHKS-11602			ALLSCAPE	25.50		2,800.60	2,800.60
05/08/2001	VGLCHKS-11611			RECLASSIFY CK# 11507	37.50		2,838.10	2,838.10
05/08/2001	VGLCHKS-11613			BROWNING-FERRIS INDUSTRIE	16.06		2,854.16	2,854.16
05/08/2001	VGLCHKS-11617			QUESTAR GAS	885.52		3,739.68	3,739.68
05/10/2001	VGLCHKS-11628			WELLS FARGO CARD SERVICE	96.50		3,836.18	3,836.18
05/10/2001	VGLCHKS-11639			WINGFOOT CORPORATION	162.78		3,998.96	3,998.96
05/21/2001	VGLCHKS-11679			MURRAY CITY UTILITES	186.07		4,185.03	4,185.03
05/31/2001	VGLCHKS-11679			F&S PROPERTY MAINTENANCE	221.70		4,406.73	4,406.73
06/01/2001	VGLCHKS-11695			RECLASSIFY CK# 11621	28.50		4,435.23	4,435.23
06/01/2001	VGLCHKS-11703			QUESTAR GAS	121.37		4,556.60	4,556.60
06/01/2001	VGLCHKS-11708			ADT SECURITY SERVICES	23.74		4,580.34	4,580.34
06/07/2001	VGLCHKS-11738			JENSON REFRIGERATION, INC	123.58		4,703.92	4,703.92
06/26/2001	VGLCHKS-11783			WINGFOOT CORPORATION	162.78		4,866.70	4,866.70
06/26/2001	VGLCHKS-11784			MURRAY CITY UTILITES	265.93		5,132.63	5,132.63
06/27/2001	VGLCHKS-11789			QUESTAR GAS	19.04		5,151.67	5,151.67
06/30/2001	GJ-608			BROWNING-FERRIS INDUSTRIE	16.06		5,167.73	5,167.73
07/02/2001	VGLCHKS-11809			RECLASS CK#S 11685, 11725	28.50		5,196.23	5,196.23
07/02/2001	VGLCHKS-11824			H&R SALES	12.23		5,208.46	5,208.46
07/26/2001	VGLCHKS-11893			H&R SALES	18.55		5,227.01	5,227.01
07/26/2001	VGLCHKS-11909			4C'S PLUMBING OF UTAH, INC	160.50		5,387.51	5,387.51
				QUESTAR GAS	215.37		5,602.88	5,602.88

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Transaction Date	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4410-010</b>		<b>4410 BUILDING MAINT &amp; OPER</b>				
07/30/2001	VGLCHKS-11924	BYRD'S FIRE PROTECTION CO	9.57		5,612.45	5,612.45
07/31/2001	VGLCHKS-11928	MURRAY CITY UTILITIES	334.25		5,946.70	5,946.70
07/31/2001	VGLCHKS-11933	WINGFOOT CORPORATION	162.78		6,109.48	6,109.48
07/31/2001	VGLCHKS-11935	F&S PROPERTY MAINTENANCE	252.00		6,361.48	6,361.48
07/31/2001	VGLCHKS-11937	CLASSIC FURNITURE	224.84		6,586.32	6,586.32
07/31/2001	RJ-709	RECLASS CKS CODED TO 4430	191.81		6,778.13	6,778.13
07/31/2001	GJ-710	VOID CK# 11601		46.80	6,731.33	6,731.33
08/22/2001	VGLCHKS-11964	ADT SECURITY SERVICES	25.05		6,756.38	6,756.38
08/22/2001	VGLCHKS-11965	JENSON LIGHTING MAINTENAN	262.43		7,018.81	7,018.81
08/22/2001	VGLCHKS-11968	F&S PROPERTY MAINTENANCE	306.91		7,325.72	7,325.72
08/22/2001	VGLCHKS-11976	BROWNING-FERRIS INDUSTRIE	17.35		7,343.07	7,343.07
08/23/2001	VGLCHKS-11979	WINGFOOT CORPORATION	162.78		7,505.85	7,505.85
08/23/2001	VGLCHKS-11987	MURRAY CITY UTILITIES	380.25		7,886.10	7,886.10
08/23/2001	VGLCHKS-11989	AMERICAN EXPRESS	17.35		7,903.45	7,903.45
08/23/2001	VGLCHKS-11989	AMERICAN EXPRESS	31.38		7,934.83	7,934.83
09/07/2001	VGLCHKS-12052	H&R SALES	22.44		7,957.27	7,957.27
09/07/2001	VGLCHKS-12053	WINGFOOT CORPORATION	162.78		8,120.05	8,120.05
09/27/2001	VGLCHKS-12091	F&S PROPERTY MAINTENANCE	164.88		8,284.93	8,284.93
09/27/2001	VGLCHKS-12095	ALPINE WINDOW CLEANING, IN	120.00		8,404.93	8,404.93
09/27/2001	VGLCHKS-12098	MURRAY CITY UTILITIES	337.06		8,741.99	8,741.99
09/27/2001	VGLCHKS-12099	BROWNING-FERRIS INDUSTRIE	17.35		8,759.34	8,759.34
09/30/2001	GJ-908		28.50		8,787.84	8,787.84
10/17/2001	VGLCHKS-12130	CACTUS & TROPICALS	57.00		8,844.84	8,844.84
10/19/2001	VGLCHKS-12137	WINGFOOT CORPORATION	162.78		9,007.62	9,007.62
10/19/2001	VGLCHKS-12142	MURRAY CITY UTILITIES	339.06		9,346.68	9,346.68
10/19/2001	VGLCHKS-12143	BROWNING-FERRIS INDUSTRIE	17.35		9,364.03	9,364.03
10/19/2001	VGLCHKS-12150	H&R SALES	13.43		9,377.46	9,377.46
10/24/2001	VGLCHKS-12154	F&S PROPERTY MAINTENANCE	157.50		9,534.96	9,534.96
11/08/2001	VGLCHKS-12237	BROWNING-FERRIS INDUSTRIE	17.35		9,552.31	9,552.31
11/08/2001	VGLCHKS-12245	SALT LAKE COUNTY TREASUR	506.29		10,058.60	10,058.60
11/08/2001	VGLCHKS-12248	WINGFOOT CORPORATION	162.78		10,221.38	10,221.38
11/08/2001	VGLCHKS-12249	CACTUS & TROPICALS	28.50		10,249.88	10,249.88
11/09/2001	VGLCHKS-12255	JENSON LIGHTING MAINTENAN	81.90		10,331.78	10,331.78
11/29/2001	VGLCHKS-12298	F&S PROPERTY MAINTENANCE	128.00		10,459.78	10,459.78
11/29/2001	VGLCHKS-12303	H&R SALES	14.00		10,473.78	10,473.78
11/29/2001	VGLCHKS-12307	ADT SECURITY SERVICES	26.43		10,500.21	10,500.21
11/29/2001	VGLCHKS-12309	MURRAY CITY UTILITIES	262.82		10,763.03	10,763.03

**UTAH ASSOCIATION OF COUNTIES**  
**Detail General Ledger**  
 Period: 01/01/2001 to 12/31/2001

Fund 10 - UACIM

Account Number	Transaction Date	Account Description	Source Reference	Transaction Reference	Debits	Credits	Net Change	Balance
<b>4410-010</b>		<b>4410 BUILDING MAINT &amp; OPER</b>						
11/30/2001		GJ-1105		RECLASSIFY ASSETS UNDER \$250	78.81		10,841.84	10,841.84
12/05/2001		VGLCHKS-12332		CACTUS & TROPICALS	28.50		10,870.34	10,870.34
12/05/2001		VGLCHKS-12335		WINGFOOT CORPORATION	162.78		11,033.12	11,033.12
12/19/2001		VGLCHKS-12379		QUESTAR GAS	92.58		11,125.70	11,125.70
12/20/2001		VGLCHKS-12393		MURRAY CITY UTILITIES	189.28		11,314.98	11,314.98
12/20/2001		VGLCHKS-12399		BROWNING-FERRIS INDUSTRIE	17.35		11,332.33	11,332.33
12/21/2001		VGLCHKS-12409		JENSON REFRIGERATION, INC	260.88		11,593.21	11,593.21
12/31/2001		GJ-1206		RECLASSIFY ASSETS UNDER \$250	30.00		11,623.21	11,623.21
<b>4430-010</b>		<b>4430 BUILDING EQUIPMENT</b>						
01/01/2001				Beginning Balance				0.00
01/11/2001		VGLCHKS-11214		CACTUS & TROPICALS	57.00		57.00	57.00
01/24/2001		VGLCHKS-11271		CENTRAL OFFICE SUPPLIES	284.08		341.08	341.08
01/31/2001		GJ-108				341.08	0.00	0.00
02/07/2001		VGLCHKS-11346		CACTUS & TROPICALS	28.50		28.50	28.50
02/28/2001		RJ-206				28.50	0.00	0.00
03/13/2001		VGLCHKS-11467		CACTUS & TROPICALS	28.50		28.50	28.50
03/31/2001		GJ-305				28.50	0.00	0.00
04/04/2001		VGLCHKS-11507		CACTUS & TROPICALS	37.50		37.50	37.50
04/30/2001		RJ-405		RECLASSIFY CK# 11507		37.50	0.00	0.00
05/09/2001		VGLCHKS-11621		CACTUS & TROPICALS	28.50		28.50	28.50
05/31/2001		RJ-508		RECLASSIFY CK# 11621		28.50	0.00	0.00
06/01/2001		VGLCHKS-11725		CACTUS & TROPICALS	28.50		28.50	28.50
06/30/2001		GJ-608		RECLASS CK#S 11685, 11725		28.50	0.00	0.00
07/02/2001		VGLCHKS-11798		CACTUS & TROPICALS	28.50		28.50	28.50
07/02/2001		VGLCHKS-11803		DESIGN MARKETING ASSOCIA	3,003.00		3,031.50	3,031.50
07/30/2001		VGLCHKS-11925		THYSSENKRUPP ELEVATOR	74.81		3,106.31	3,106.31
07/31/2001		VGLCHKS-11934		CACTUS & TROPICALS	28.50		3,134.81	3,134.81
07/31/2001		VGLCHKS-11938		CLASSIC TRENDS	60.00		3,194.81	3,194.81
07/31/2001		RJ-709		RECLASS CKS CODED TO 4430		3,194.81	0.00	0.00
09/07/2001		VGLCHKS-12063		CACTUS & TROPICALS	28.50		28.50	28.50
09/30/2001		GJ-908				28.50	0.00	0.00
10/18/2001		VGLCHKS-12133		BEEHIVE GLASS	142.84		142.84	142.84
10/31/2001		GJ-1008				142.84	0.00	0.00
11/29/2001		VGLCHKS-12299		UNIVERSAL VENDING	38.81		38.81	38.81
11/30/2001		GJ-1105		RECLASSIFY ASSETS UNDER \$250		38.81	0.00	0.00